

FEDERAL BUREAU OF INVESTIGATION
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BCM/rfd

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b7C

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Phoenix

b6
b7CReport of:
Date:SA [REDACTED]
10/12/70

Office: PHOENIX

Field Office File #: PX 139-102

Bureau File #: 139-3693

Title: GEORGE HARRY JOHNSON;
UNKNOWN SUBJECTS

Character: INTERCEPTION OF COMMUNICATIONS

Synopsis: Numerous employees of Phoenix Greyhound Park interviewed. BRADLEY FUNK refused to be interviewed as well as Attorneys [REDACTED]
[REDACTED] Attorney for Greyhound Parks of Arizona refused to turn over pertinent records of track to FBI. Results of interviews with [REDACTED]
[REDACTED] set forth. Identification record of [REDACTED] set out.

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- P -

DETAILS:

1
PX 139-102
BCM/rfd

On September 29, 1970 the following attorneys advised they represented in terms of legal counsel as follows:

[redacted] and [redacted]

1. Greyhound Parks of Arizona, Inc.
2. Amado Greyhound Park, Inc.
3. Yuma Greyhound Park, Inc.
4. Apache Greyhound Park, Inc.
5. Black Canyon Greyhound Park, Inc.
a) Prescott Downs
6. American Greyhound Racing, Inc.
7. Western Racing (Limited)
8. Washington Land Co.

[redacted]

1. Members of the FUNK family (individually)
2. FUNKS Greyhound Racing Circuit, Inc.
3. Track Corporation as related individually
4. Western Racing, Inc.
Statutory agent in limited matters.

b6
b7C

[redacted]

1. FUNKS individually as co-counsel with
[redacted]
2. Funks Greyhound Racing Circuit, a partnership
3. Represent all track corporations listed under
[redacted] name
4. Represent Track Corporation as to legislative,
Corporate Commission and tax matters
(do not represent Emprise Corp. per se)
5. General counsel for Western Racing, Inc.

FIRM OF LEWIS ROCA, BEAUCHAMP & LINTON

1. Have represented Emprise Corp. since 1953
2. Represent the Track Corporation on a day to day basis.

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BCM/rfd
2

The above attorneys advised the FUNK family structure is as follows:

Father -

Sons -

Grandsons -



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b7C

Records of the Driver's License Division, Phoenix, Arizona, when checked on September 3, 1970 by IC [] revealed that Arizona Operator's License No. E-218781 was issued to CARL BENNETT MORTON, 3313 West Cactus Wren, Phoenix, on April 15, 1969. He was described as follows:

Sex	Male
Born	April 7, 1932
Weight	205
Height	6' 4"
Hair	Brown
Eyes	Brown
Occupation	Deputy Sheriff Maricopa County Sheriff's Office

Records of the Motor Vehicle Division were checked on September 3, 1970 and revealed that CARL MORTON of 3313 West Cactus Wren, Phoenix had registered to him a 1969 Ford LTD, Vehicle Identification Number 9J62F127543 bearing Arizona License KXY-918. The First National Bank at 411 North Central, Phoenix holds the lein on this vehicle as of March 24, 1970 in the amount of \$5,552.40.

In addition to the above vehicle, MORTON had registered to him a 1964 homemade boat trailer which bore Arizona License JT-5662, and Motor Vehicle Division Number 120792.

The following are credit and criminal checks concerning CARL MORTON:

FEDERAL BUREAU OF INVESTIGATION

10/8/70

1

Date

[redacted] Attorney, [redacted]
[redacted] Arizona, advised that he formerly did legal work
for Congressman STEIGER.

b6
b7C

Prior to July 13, 1970, he was visited at his office by BRADLEY FUNK and [redacted]. Also included in the conference was his associate, [redacted]. At this time, FUNK and [redacted] were interested in ascertaining from him background information concerning Congressman STEIGER that would possibly aid them in their investigation of Congressman STEIGER. At this time, [redacted] received the impression from BRADLEY FUNK that the FUNKs had hired [redacted] to conduct an investigation concerning Congressman STEIGER. BRAD said Congressman STEIGER was trying to get his hand in the FUNKs' racing interest in Arizona. He did not furnish them any information from his files other than told them where public records could be located which would furnish information about Congressman STEIGER's past. He did not feel he was violating an attorney-client relationship because his relationship with Congressman STEIGER had been on a personal basis rather than a lawyer-client relationship.

b6
b7C

He said [redacted] came to see him numerous times seeking his advice concerning the investigation of Congressman STEIGER. [redacted] had come to [redacted] about the first part of 1970 concerning an alleged burglary of his apartment which is still in the process of being settled with the insurance company.

b6
b7C

During one of these visits with [redacted] inferred they had some recordings which [redacted] presumed came from a telephone tap of Congressman STEIGER's conversations in Washington. [redacted] arrived at this conclusion because [redacted] told [redacted] that he had overheard a conversation between [redacted] and SAM STEIGER in which STEIGER said he hoped [redacted] was not doing anything detrimental to STEIGER because STEIGER told [redacted] he would not be in Washington if it had not been for [redacted]. [redacted] related this conversation to [redacted] to show [redacted] that Congressman STEIGER still looked upon [redacted] as a friend. [redacted] explained that when Congressman STEIGER was elected to the House of Representatives a question came up as to

b6
b7C

On 10/7/70 at Phoenix, Arizona File # PX 139-102

by SA [redacted] and [redacted]
SA [redacted] BCM/rfd Date dictated 10/7/70

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

1

Date 10/7/70

BRADLEY JORDAN FUNK was contacted at his apartment, No. 12, at 3022 North 32nd Street, Phoenix, Arizona at 10:12 AM on September 29, 1970. FUNK immediately advised the interviewing agents that he wanted to contact his attorney.

FUNK called attorney [redacted] on the telephone and after a brief conversation FUNK asked SA [redacted] to talk with [redacted]

b6
b7C

[redacted] was informed by SA [redacted] that an interview was desired with BRAD FUNK in connection with the allegation of a wire tap matter. [redacted] advised he did not feel that BRAD FUNK should talk with the interviewing agents at this time. [redacted] was informed by SA [redacted] that it was understood that he had previously informed Dr. RICHARD BURKE, U. S. Attorney, that he and his clients wanted to cooperate one hundred percent with the U. S. Attorney's Office and the FBI. [redacted] said they wanted to cooperate but did not desire to let BRAD FUNK be interviewed at this time.

b6
b7C

SA [redacted] then asked [redacted] if he would agree to let BRAD FUNK sign a waiver in order for the interviewing agents to search BRAD FUNK's apartment at this time for certain items. [redacted] then asked to speak with BRAD FUNK.

b6
b7C

FUNK spoke again with [redacted] informing him that he had spent the night with his girl friend and had gotten home just prior to the arrival of the interviewing agents. FUNK spoke briefly with his attorney, then put the phone down, not on the receiver, and said his attorney wanted to listen to the remaining conversation.

FUNK informed that he did not wish to speak with the interviewing agents and that he would not consent to a search of his apartment upon the advice of his attorney.

The following description of BRADLEY FUNK was then obtained:

On 9/29/70 at Phoenix, Arizona File # PX 139-102

by SAs [redacted] and [redacted] Date dictated 10/5/70
BCM/mcl

b6
b7C

2
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BCM/mcl

Race	White
Sex	Male
Birth Data	May 17, 1932, Phoenix, Arizona
Height	5' 10½"
Weight	170 pounds
Hair	Brown
Eyes	Blue
Military Service	ASN 56210811
Marital status	Divorced

FEDERAL BUREAU OF INVESTIGATION

Date October 12, 1970

[redacted] personally appeared at the
office of the FBI, Phoenix, Arizona on the dates of

[redacted]

b6
b7C
b7D

Prior to beginning the interview with [redacted]
on each date, [redacted] was appropriately furnished with a
"Voluntary Appearance; Advice of Rights; Your Rights" form
which he read and signed.

[redacted] advised as follows:

b6
b7C
b7D

[redacted] has known BRADLEY [redacted] FUNK for a
number of years. [redacted]

[redacted]

[redacted] Phoenix, Arizona

PX 139-102

b7D

On _____

at _____

File # _____

by SAs _____

and _____

sg _____

Date dictated 10/9/70b6
b7C

FEDERAL BUREAU OF INVESTIGATION

10/2/70

Date

[redacted] during an interview conducted at the Phoenix Office of the Federal Bureau of Investigation was given the papers which [redacted] Congressman SAM STEIGER and requested to identify each item. These items are identified by the number placed on them for identification purposes by the FBI and are hereafter referred to by these numbers:

b6
b7C
b7D

b6
b7C
b7D

On 9/23/70 at Phoenix, Arizona File # PX 139-102

by SA [redacted] and CSU/rfd Date dictated 9/28/70

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

1

Date 10/6/70

[redacted] personally appeared at the FBI Office, Phoenix, Arizona. He was furnished a form entitled, "Voluntary Appearance; Advice of Rights - Your Rights," which he read and signed.

b6
b7C
b7D

[redacted] advised he had located some additional data at his apartment and wanted to turn this data over to SA [redacted]

He turned over the following items:

On 9/28/70 at Phoenix, Arizona File # PK 139-102

by SA [redacted] mcl Date dictated 10/1/70

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date 10/5/70

[redacted] after being advised of the identities of the Agents, was interviewed at her residence.

[redacted] Arizona. [redacted] furnished the following information:

b6
b7C

[redacted] stated that she is acquainted with [redacted] whom she described as a [redacted] at Greyhound. [redacted] advised that [redacted] visited or called [redacted] most of the time but on one occasion was a visitor in BRAD FUNK's office.

b6
b7C

On 9/29/70 at Phoenix, Arizona File # PX 139-102

by SAs [redacted] and [redacted] JGW:lss Date dictated 9/30/70

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

Date 10/5/70

ROBERT S. BROWN, 2605 West Van Buren, Mobile Home Lot B-26, was advised of the identities of SAs RICHARD V. DEAN and DARRELL W. SHAVER at which time he furnished the following information:

He is the Purchasing Agent and Printer for the Greyhound Park Race Track. He has been employed by the company for approximately 13 years. BROWN advised he was familiar with GEORGE HARRY JOHNSON and first met him during a strike last year. He stated that JOHNSON was paid to work in the Money Room. JOHNSON was later hired as an investigator, however, BROWN was not aware of what he was to investigate. BROWN was not familiar with any incident concerning wire tapping and he stated he had no idea of the conditions surrounding JOHNSON's wages or activities.

BROWN stated that he was quite familiar with CARL MORTEN. MORTEN was a good friend of his and on several occasions came down to the printing office located near the track to see BROWN. BROWN stated that he believed that MORTEN was not acquainted with any of the track personnel and was not acquainted with GEORGE HARRY JOHNSON to his knowledge. He advised that he was unfamiliar with the names LEE ELDERS or LARRY WEBB. BROWN stated he could furnish no further information concerning the instant investigation.

On 9/23/70 at Phoenix, Arizona File # PH 132-102

by SA RICHARD V. DEAN and SA
DARRELL W. SHAVER RVD/rfd Date dictated 10/1/70

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FEDERAL BUREAU OF INVESTIGATION

1

10/6/70

Date.

Arizona, [redacted]
Greyhound Park advised as follows:

b6
b7C

She has been [redacted] Greyhound Park as a

b6
b7C

She was under the impression that [redacted] and BRAD FUNK were close friends, however, shortly before [redacted] terminated his employment, she overheard an argument between [redacted] and BRAD FUNK in the latter's office.

b6
b7C

9/29/70 Phoenix, Arizona PX 139-102

SA [redacted] and
SA [redacted] /ELS /msb Date dictated 10/2/70

b6
b7C

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DLS:mab

2

They were arguing in very loud voices and the argument seemed to concern money. She concluded from the argument that [redacted] was attempting to receive payment for bills that he had incurred in the background investigation of STEIGER. She did not know anyone identified as CARL MORTON and did not recall having received any messages from anyone by that name. She could furnish no additional information concerning the matter under investigation.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date 10/5/70

[redacted]
Arizona, was advised of the official identities of Special Agents [redacted]
[redacted]

b6
b7C

[redacted] stated she was acquainted with [redacted]
[redacted] and he had worked for the Emprise Corporation.
Specifically, [redacted] appeared to answer directly to BRAD
FUNK in regard to any work performed by him [redacted] She
could not remember that [redacted] worked for anyone else in
the office.

[redacted]

b6
b7C

On 9/29/70 at Phoenix, Arizona File # PX 139-102

by SA [redacted] and SA [redacted] lfs
SA [redacted] lfs Date dictated 9/29/70

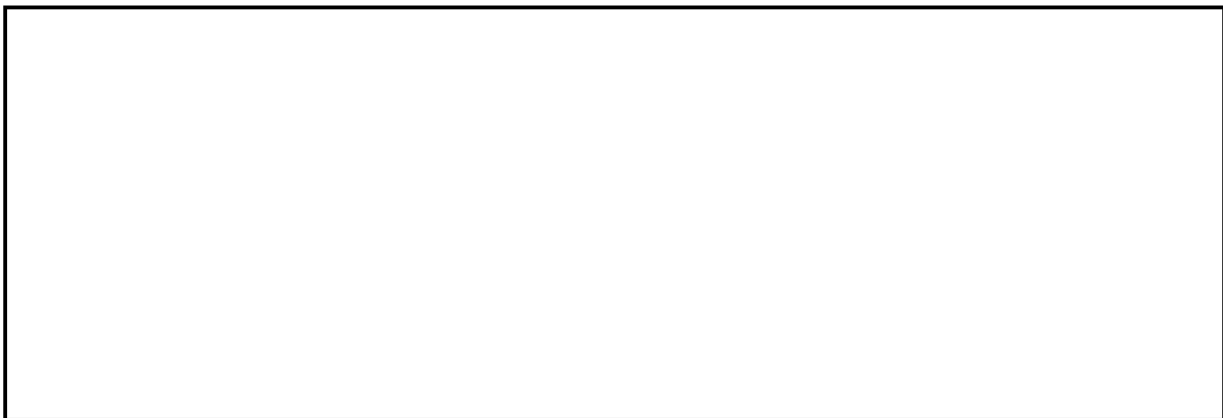
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b6
b7C

[redacted] was also responsible for typing some expense vouchers showing expenses incurred by [redacted]. The vouchers did not itemize what the expenses were; merely the amount due for a certain period of time. Although she could not recall the exact amount of money paid to [redacted]

b6
b7C

[redacted] The vouchers she typed were prepared by [redacted] on a sheet of "yellow legal pad" paper and she then typed the voucher. The typed voucher was then returned to [redacted] who then submitted them to BRAD FUNK. [redacted] typed the voucher on plain white paper.

b6
b7C

[redacted] said the only telephone numbers she has worked with is the toll calls billed to the Greyhound Park's telephone number. Due to the fact that the track number is used by several different companies jointly operated by BRAD [redacted] FUNK, she must sort the phone calls for proper billing. [redacted] did give her some telephone numbers for the purpose of determining the subscribers of those telephone numbers. The numbers were on a yellow legal pad sheet and not a telephone company billing.

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BCM/rfd

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FROM: PHOENIX (139-102) (EIGHT PAGES)

CHANGED. [REDACTED] UNSUBS. IOC. OO PHOENIX.

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TITLE CHANGED TO REVEAL SUBJECT [REDACTED]

TITLE FORMERLY CARRIED "SAM STEIGER, CONGRESSMAN (R), ARIZONA.
INFORMATION CONCERNING."

RE PHOENIX TEL TO BUREAU AUGUST EIGHTEEN LAST.

FOR INFORMATION SAN DIEGO CONGRESSMAN STEIGER LATE
EVENING AUGUST SEVENTEEN LAST ADVISED HE HAD SOURCE WHO HAD
TURNED OVER TO HIM IN RECENT PAST TAPES OBTAINED FROM
LEGAL WIRE TAPS SINCE ONE PARTY KNEW CONVERSATION BEING
TAPED. SOURCE WAS TO TURN OVER ADDITIONAL TAPES FROM
ILLEGAL WIRE TAPS TO CONGRESSMAN STEIGER. CONGRESSMAN
STEIGER IS CURRENTLY CAMPAIGNING FOR RE-ELECTION TO CONGRESS.

CONGRESSMAN STEIGER ADVISED HE HAD BEEN IN TOUCH WITH [REDACTED]

b6
b7C

[REDACTED] OF DEPARTMENT PRIOR TO DEPARTING WASHINGTON WHO
INDICATED INTEREST INSTANT MATTER. CONGRESSMAN STEIGER
WAS TO BE CONTACTED BY SOURCE AUGUST EIGHTEEN LAST WHO IN
TURN WAS GOING TO CONTACT FBI PHOENIX UPON RESULTS OF
INTERVIEW. HOWEVER, ~~JOHNSON~~ ^{SOURCE} FAILED TO CONTACT CONGRESSMAN
STEIGER AS STIPULATED.

1 - Buffalo (AM)
1 - Phoenix
Approved: *[Signature]*
BCM/mcl Special Agent in Charge

Sent

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Per

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PAGE TWO.

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ON AUGUST TWENTY LAST [REDACTED]

[REDACTED] FOR CONGRESSMAN STEIGER ~~WAS INTERVIEWED AT PHOENIX~~
ADVISED BY AGENTS
AS FOLLOWS:
~~WHO FURNISHED FOLLOWING INFORMATION:~~

CONGRESSMAN STEIGER INITIALLY LEARNED OF ALLEGED
WIRE TAP ON HIS OFFICE TELEPHONES AT FEDERAL BUILDING
PHOENIX ARIZONA AUGUST THIRTEEN LAST. AT THIS TIME
CONGRESSMAN STEIGER INFORMED A [REDACTED] OF JUSTICE
DEPARTMENT OF ALLEGATION WHO EXPRESSED INTEREST IN MATTER
AND WISHED TO PURSUE MATTER IF TRUE.

b6
b7C

CONGRESSMAN STEIGER MET WITH INFORMANT WHO IS

[REDACTED] ON DIFFERENT OCCASIONS AT PHOENIX,
PRESCOTT AND GLOBE, ARIZONA BEGINNING AUGUST FOURTEEN LAST.

b6
b7C
b7D[REDACTED] INFORMED HE WAS [REDACTED]
[REDACTED]

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Special Agent in Charge

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PAGE THREE.

[REDACTED]

CONGRESSMAN STEIGER IN RECENT PAST HAS CONDUCTED PERSONAL INVESTIGATION INTO ALLEGED CONNECTION OF FUNK BROTHERS WITH EMPRISE CORPORATION AND THEIR ASSOCIATION WITH ALLEGED GAMBLERS IN U. S. [REDACTED] HAD ANOTHER MAN, NOT NAMED, TO PURCHASE ELECTRONIC SURVEILLANCE EQUIPMENT TOTALLING SIXTEEN HUNDRED DOLLARS AND PROCEEDED TO PLACE TELEPHONE TAPS ON FOLLOWING LINES:

TELEPHONE OF CONGRESSMAN STEIGER, FEDERAL BUILDING, PHOENIX, ARIZONA FIVE LINES. [REDACTED] SIC, HOME TELEPHONE. [REDACTED]

[REDACTED] AT HIS HOME TELEPHONE. [REDACTED]

[REDACTED] HOME TELEPHONE.

TAPES RECORDED OVER PERIOD SEVERAL WEEKS ON EACH

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b7Db6
b7C

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Date:

Transmit the following in _____
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PAGE FOUR.

TELEPHONE TAPPED. THESE TAPES ARE ALLEGEDLY AT HOME OF
BRADLEY FUNK'S [REDACTED]
[REDACTED]

b6
b7C

TAPS ALLEGEDLY REMOVED FROM ALL LINES ON OR ABOUT
JUNE TWO LAST. [REDACTED] WENT TO FUNKS [REDACTED]

[REDACTED] BY FUNKS. THIS ENTICED [REDACTED]

[REDACTED] CONGRESSMAN STEIGER. AT TIME
OF INFORMING CONGRESSMAN STEIGER [REDACTED]

b6
b7C
b7D

[REDACTED]
[REDACTED] THESE ITEMS

CURRENTLY IN POSSESSION FBI PHOENIX. TAPES ARE THE
"LEGAL" TAPES WHICH CONSIST OF CONVERSATIONS RECORDED BY
FUNKS [REDACTED] WITH

Approved: _____

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PAGE FIVE.

VARIOUS INDIVIDUALS.

 WENT TO FUNK AUGUST NINETEEN LAST AT WHICHTIME b6
b7C
b7DApproved: _____ Sent _____ M Per _____
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PAGE SIX.

CONGRESSMAN STEIGER DESCRIBED [REDACTED] AS [REDACTED]

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CONGRESSMAN STEIGER TELEPHONICALLY CONTACTED PHOENIX
OFFICE AUGUST TWENTY ONE INSTANT AND ADVISED HE HAS
RECEIVED NO FURTHER WORD FROM [REDACTED]

[REDACTED] ON AUGUST TWENTY ONE INSTANT ADVISED HE HAS
MET AND TALKED WITH [REDACTED]

b6
b7C
b7D

[REDACTED] BY CONGRESSMAN STEIGER. THESE ITEMS WERE
MADE AVAILABLE TO [REDACTED] PRIOR TO BEING TURNED
OVER TO FBI, PHOENIX.

ACCORDING TO [REDACTED]

Approved: _____

Special Agent in Charge

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Date:

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(Type in plaintext or code)Via _____
(Priority)

PAGE SEVEN.

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DR. RICHARD K. BURKE, U. S. ATTORNEY, PHOENIX ON
AUGUST TWENTY LAST WAS INFORMED OF ALL DATA AS FURNISHED BY
[REDACTED] AND CONGRESSMAN STEIGER IN CONNECTION
WITH ALLEGED WIRE TAP MATTER. DR. BURKE ^{REQUESTED} ~~AUTHORIZED~~ A
PRELIMINARY INVESTIGATION BE CONDUCTED.

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TELEPHONE COMPANY REQUESTED ON AUGUST TWENTY ONE
INSTANT TO CHECK ABOVE TELEPHONE LINES FOR POSSIBLE
INTERCEPTOR DEVICES.

SAN DIEGO ATTEMPT TO LOCATE [REDACTED]
[REDACTED] AND INTERVIEW CONCERNING WIRE TAP
MATTER. [REDACTED] MAY BE USING NAME [REDACTED]

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Approved: _____ Sent _____ M Per _____
Special Agent in Charge

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Date:

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PAGE EIGHT.

BUFFALO ADVISED AIRMAIL FOR INFORMATION IN VIEW
POSSIBILITY SUBJECTS RESIDING THEIR DIVISION.

PENDING.

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Phoenix, Arizona

Report of: SA [REDACTED]

Office: PHOENIX

Date: 8/23/70

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Field Office File #: PX 139-102

b7D Bureau File #:

Title: [REDACTED]

UNKNOWN SUBJECTS

Character:

INTERCEPTION OF COMMUNICATIONS

Synopsis:

Congressman SAM STEIGER, Republican, State of Arizona, on 8/17/70 advised he learned his office telephones at Federal Building, Phoenix, Arizona were tapped and recordings made. [REDACTED] Phoenix, Arizona revealed to Congressman STEIGER and [REDACTED] [REDACTED] for Arizona for Congressman STEIGER, that he was [REDACTED]

[REDACTED] who is up for re-election this year. [REDACTED] hired another individual to buy electronic equipment who allegedly installed taps on telephone lines of at least six different persons in Arizona including office telephones of Congressman STEIGER. [REDACTED]

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[REDACTED] to Congressman STEIGER by [REDACTED] Cassette tapes are recordings from telephone of FUNKs whose [REDACTED]

[REDACTED] Tapes supposedly received from illegal wire taps thought possibly at home of [REDACTED] to BRADLEY FUNK. [REDACTED] located by FBI at San Diego, California but declined to talk until he returns to Phoenix and consults with attorney. Eight Cassette tapes and all documents turned over to local newspaper reporters prior to receipt by FBI, Phoenix. USA, Phoenix on 8/20/70 requested preliminary investigation be conducted.

- P -

DETAILS:

PX 139-102
BCN/mcl

This investigation was predicated upon a telephone call that was made by Congressman SAM STEIGER, Republican, State of Arizona, to ROBERT E. GEBHARDT, Special Agent in Charge, Federal Bureau of Investigation, Phoenix, Arizona during the late evening hours of August 17, 1970 where Congressman STEIGER informed that he was currently campaigning for re-election to Congress and that he had a source who in the recent past had turned over to him some tapes obtained from a "legal wire tap" since one party knew the conversation was being taped. Congressman STEIGER did not disclose the nature of the tapes except that they concerned various persons in Arizona. According to Congressman STEIGER this source was going to meet him during the late evening hours of August 17, 1970 to furnish him with tapes from illegal wire taps. Congressman STEIGER said that if he did make contact with his source and if the tapes were the result of an alleged illegal wire tap he would attempt to place the source in contact with the FBI or Congressman STEIGER would in turn turn over to the FBI tapes received from the illegal wire taps.

Congressman STEIGER also informed that he had been in touch with a [redacted] of the Justice Department, Washington, D. C. prior to his departing Washington, who indicated an interest in the alleged wire tap matter. Congressman STEIGER said he would contact the FBI on August 18, 1970 if he was able to meet with his source and if alleged tapes obtained from his source.

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There was no contact with the Federal Bureau of Investigation Office at Phoenix by Congressman STEIGER on August 18 or 19, 1970.

[redacted] Arizona Republic newspaper, Phoenix. Arizona on August 20, 1970 advised Supervisor [redacted] that he was working on the matter concerning the alleged illegal wire taps with Congressman STEIGER.

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[redacted] identified the source of Congressman STEIGER as being [redacted]

PX 139-102
BCM/mcl

At this time [] informed that he and fellow

[]

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In connection with tapping the office telephones of Congressman STEIGER at the Federal Building, Phoenix.

[] indicated that a []

[] to Congressman STEIGER's office in order to tap his telephone lines.

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[] advised that Congressman STEIGER's

[] and other material which he will make available to the FBI.

Inquiry at the []

[] by SAs [] and [] on August 20, 1970 revealed that []

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An unsuccessful effort was made to contact [] at this apartment on August 20, 1970.

Congressman STEIGER telephoned the Phoenix Office of the FBI from Springerville, Arizona at about 10:00 PM on August 20, 1970 and informed that he had information that

[] was staying at the []

[] Congressman STEIGER was not sure about the name of the hotel or the town but that he would attempt to gain further data and advise the FBI.

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The current Phoenix telephone directory reveals a

[] residing at []

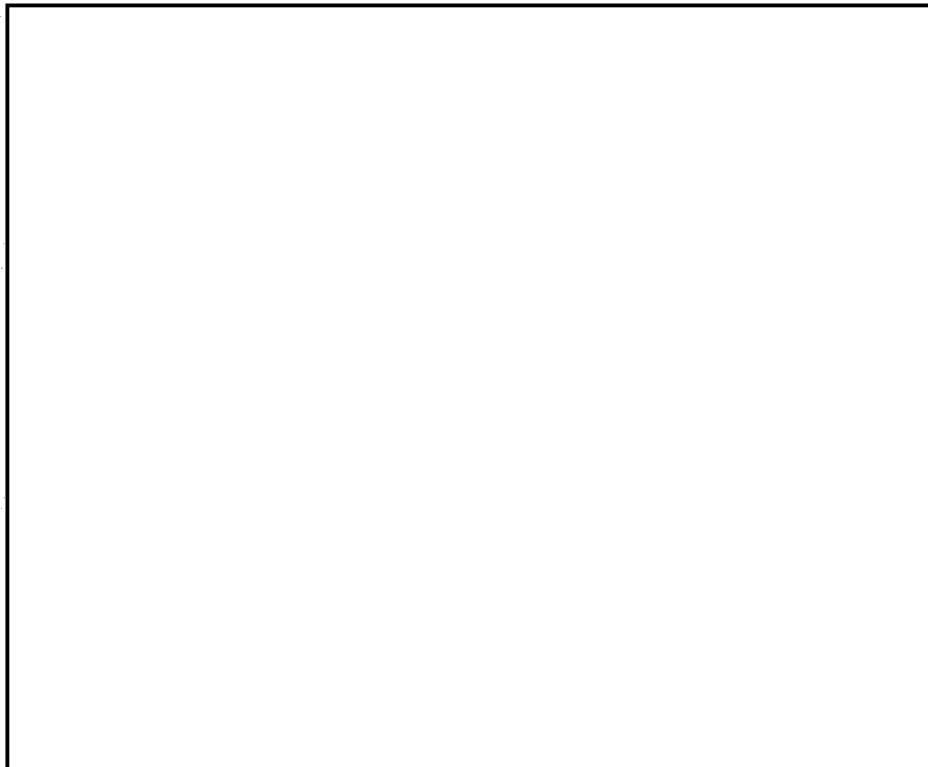
[] Arizona, having telephone number []

PX 139-102
BCM/mcl

[redacted] Mountain States Telephone Company,
Phoenix, Arizona on August 21, 1970 was requested by
SA [redacted] to check the telephone line of the
following individuals to determine if any possible recording
device may still be installed on any of these lines:

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Congressman SAM STRIGER
Office telephones
Federal Building
Phoenix, Arizona
Telephone numbers 261-4041 through 4045;



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On August 24, 1970 [redacted] advised that a check
of the above individual's telephone lines failed to reveal
any type of recording device on any of these lines.

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Records of the Drivers License Division for the
State of Arizona when checked by Investigative Clerk
[redacted] on August 21, 1970 revealed Operator's

PX 139-102
ECM/mcl

[Redacted]

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Records of the Motor Vehicle Division for the
State of Arizona when checked on August 21, 1970 revealed
that a [Redacted]

[Redacted]

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Records of the Phoenix Credit Bureau on August 21,
1970 revealed that [Redacted]

[Redacted]

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On March 7, 1961 [Redacted]

[Redacted]

As of April 17, 1970 the American Credit Bureau
had [Redacted]

[Redacted]

Records of the Phoenix Police Department,
Phoenix, Arizona when checked on August 21, 1970 revealed
that under [Redacted]

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[Redacted]

PX 139-102
BCM/mcl

Investigation by the Phoenix Police Department in connection with the alleged burglary revealed that [redacted] informed he was under the employment of persons by the last name of FUNK, who are owners and operators of the Greyhound Dog Track in Phoenix. [redacted] also said the FUNKs reportedly have other holdings in the State of Arizona as well as New Mexico, Miami, Florida and California.

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[redacted]
[redacted] The investigation was completed by the Phoenix Police Department since [redacted] gave no indication of wanting this alleged burglary further investigated.

Records of the Phoenix Police Department revealed the following transcript charges against [redacted]

FX 139-102
BCM/mcl

The following is an Identification Record of
[REDACTED] as obtained from the
Maricopa County Sheriff's Office, Phoenix, Arizona:

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PX 130-102
BCM/mcl

Records of the Motor Vehicle Division and Maricopa County Sheriff's Office when checked on August 21, 1970 failed to reveal an identifiable record with [REDACTED]

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Driver's License Division records for the State of Arizona reveal that Operator's License II [REDACTED]

[REDACTED]

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Phoenix Credit Bureau records reveal that [REDACTED]

[REDACTED]

Records of the Phoenix Police Department reveal no arrest record for [REDACTED] but did contain a report of [REDACTED]

[REDACTED]

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PX 139-102
ECM/mcl

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The San Diego Office on August 25, 1970 advised that [] personally appeared at the San Diego Office of the FBI on August 25, 1970. He advised that he would like to confer with an attorney before answering any questions concerning this matter.

He plans to travel to Los Angeles, California on August 26, 1970 and will return to Phoenix on August 27, 1970 in the A.M. at which time he will then confer with his attorney, []. He indicated that he would cooperate fully with the FBI.

[] described himself as a [] born [] in height, and []

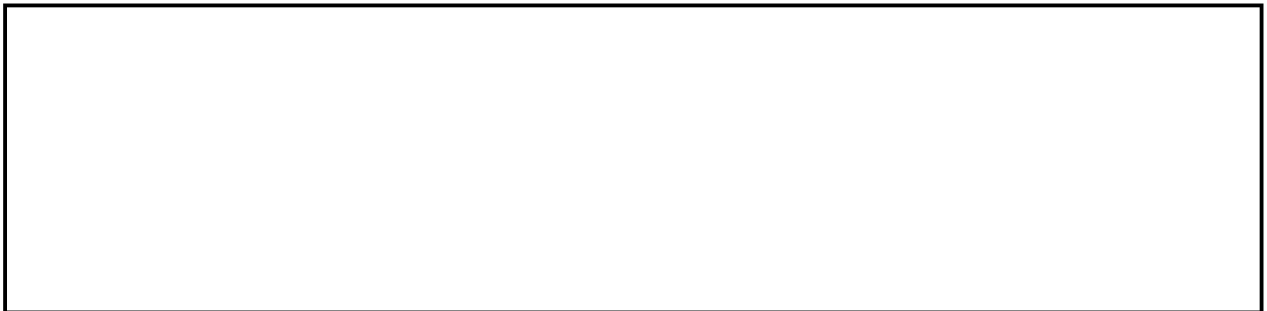
PX 139-102
DCH/mcl

Unsuccessful efforts were made on August 27 and 28,
1970 to contact [redacted]
[redacted]

[redacted] did not contact the FBI Office, Phoenix
on August 27, 1970 as he had stipulated to FBI Agents at
San Diego on August 25, 1970.

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Contact with Attorney [redacted] Phoenix,
Arizona on August 27 and 28, 1970 revealed that [redacted] had
not contacted him on either of these two days.



Among the items turned over to the FBI at Phoenix
by [redacted] which were the items obtained by
Congressman [redacted] from [redacted] the following is
noted:

PX 139-102
ECM/ncl

Dr. RICHARD E. BUNNE, U. S. Attorney, Phoenix, Arizona on August 20, 1970 was informed of all data as furnished by [redacted] and Congressman STEIGER in connection with the alleged wire tap matter. At this time Dr. BUNNE requested that a preliminary investigation be conducted.

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FEDERAL BUREAU OF INVESTIGATION

1

Date 8/21/70

[redacted] for Arizona
for Congressman SAM STEIGER, was interviewed [redacted]
at the Office of Congressman STEIGER, Federal Building,
Phoenix, Arizona. He furnished the following information:

On August 13, 1970 Congressman STEIGER received a
telephone call from [redacted] the Hide and
Rock Ranch at Scottsdale, Arizona. At this time [redacted]
informed Congressman STEIGER that he had an individual that
he wanted Congressman STEIGER to meet in connection with a
wire tap that was made on Congressman STEIGER's telephone
of recent date.

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At this time Congressman STEIGER was undecided
as to whether he was going to return to the Phoenix area
but decided in view of the information received from [redacted]
that he would return to the Arizona area and planned to meet
[redacted] along with the individual who had the information
concerning the alleged wire tap.

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While in Washington, Congressman STEIGER ran into
a [redacted] of the Justice Department, who is handling
matters in connection with gambling, hoodlums, etc.
Congressman STEIGER mentioned to [redacted] he had just received
information that his, Congressman STEIGER's, telephone line
at the Federal Building in Phoenix had been tapped and
conversations recorded. [redacted] expressed an interest in
this information and indicated the Department would surely
love to pursue this matter if it were true.

Congressman STEIGER arrived in Phoenix on
August 14, 1970 at which time he met with [redacted] and
one [redacted] at the Hide and Rock Ranch in Scottsdale.
At this time [redacted] related to Congressman STEIGER [redacted]

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[redacted] Congressman STEIGER was eager
to get home to Prescott and asked that [redacted] meet him later
in Prescott to further discuss the information that [redacted]
had in connection with the wire tap operation.

Later August 14, 1970 at the home of Congressman

On 8/20/70 at Phoenix, Arizona File # PX 159-102

SAs [redacted] and

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by [redacted] /BCM/mcl

Date dictated 8/21/70

2
PX 139-102
BCM/mcl

STEIGER. Prescott, Arizona. Congressman STEIGER and [redacted] met with [redacted] connection with the wire tap operation as well as information concerning the FUNKS [redacted] (BRADLEY) and [redacted] Corporation. JOHNSON turned over to Congressman STEIGER eight Cassette tapes which were tapes given to JOHNSON by the FUNKS. [redacted] the FUNKS at [redacted] conversations with individuals who were either called by the FUNKS or individuals who called the FUNKS at [redacted] [redacted] k. BRADLEY FUNK had [redacted] [redacted]

Congressman STEIGER, [redacted] listened to a great portion of these Cassette tapes as furnished by [redacted]

At the same time [redacted] to Congressman STEIGER numerous copies of documents that [redacted] allegedly [redacted]

On Sunday, August 16, 1970 [redacted] traveled to Prescott where he met with Congressman STEIGER and they discussed the information that [redacted] had furnished to Congressman STEIGER. At this time, they decided to package the Cassette tapes and all data obtained from [redacted] and send it to the Justice Department in Washington.

On Monday, August 17, 1970 Congressman STEIGER traveled to Globe, Arizona in connection with his campaign. On August 17, 1970 [redacted] contacted [redacted] [redacted] for the Arizona Republic newspaper, Phoenix. and informed him of the information received from [redacted] On the same date [redacted] accompanied [redacted] to Globe, Arizona where they found that [redacted] had also traveled to Globe, Arizona, apparently following Congressman STEIGER. When Congressman STEIGER spotted [redacted] as well as [redacted] and [redacted] he then had further discussions with [redacted] in connection with this same matter. It was at this time that it was decided that Congressman STEIGER should notify the FBI concerning the allegation of a possible wire tap on the office telephone of Congressman STEIGER at the Federal Building, Phoenix. Congressman STEIGER telephonically contacted Special Agent in Charge ROBERT E. GERHARDT of the Phoenix Office of the FBI and informed him of the basic information received from JOHNSON in connection with this allegation.

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3
PX 139-102
BCM/mcl

According to [redacted]
of the FUNKS [redacted] by BRADLEY FUNK [redacted]
[redacted]

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[redacted] noted at this point that Congressman STEIGER is presently campaigning for re-election to Congress of the United States. In the recent past, Congressman STEIGER has been looking into various allegations concerning the Emprise Corporation and the FUNKS as possibly connected with noted big time hoodlums in the United States.

According to [redacted] he hired an unnamed individual to purchase various tapping and recording devices. The same individual installed tapping devices on the telephone lines of the following individuals:

1. [redacted] at his Tucson Office of the Arizona Racing Commission.
2. [redacted] home telephone (no address given).
3. [redacted] home telephone, [redacted] Place, Phoenix, Arizona, telephone [redacted]
4. [redacted] (phonetic) (home address unknown).
5. Congressman STEIGER's office telephones, Federal Building, Phoenix, Arizona, telephone 261-4041 through 4045.

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According to [redacted] it was a non-parasite bug
located on Congressman STEIGER's telephone. [redacted]

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[redacted]
[redacted] or
Congressman STEIGER in the Federal Building.

Tapes were made for about a two or three-month period as a result of the various telephone taps.

On June 2, 1970, the day the Arizona Racing Commission received their permits, the telephone taps were removed.

4
PX 139-102
BCM/mcl

According to [] the various tapes made from the telephone taps were turned over to BRADLEY FUNK and these tapes are allegedly at the home of BRADLEY FUNK's [] telephone []

[] claims he is unaware if any data obtained from the wire taps were revealed to any person.

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[] claimed that he had gone to the []

For this reason, [] decided to furnish the information to Congressman STEIGER.

However, on August 20, 1970 [] informed []

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FEDERAL BUREAU OF INVESTIGATION

Date 9/4/70

Congressman SAM STEIGER, Republican, State of Arizona, telephonically advised from the Flagstaff, Arizona area that he had just met with [redacted] in Flagstaff and attempted to persuade him to contact the Federal Bureau of Investigation at Phoenix and discuss the matter at hand concerning the alleged wire tap.

During the course of conversation with [redacted]
[redacted] informed in confidence [redacted]
[redacted]

[redacted] CARL MORTON. According to [redacted] MORTON along with his wife and several friends were all allegedly killed in a private airplane accident occurring about six weeks ago at Nogales, Arizona.

At this time [redacted] believed that the tapes in connection with the wire taps were probably at the home of BRADLEY FUNK or maintained in the trunk of his vehicle.

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On 8/31/70 at Phoenix, Arizona File # PX 139-102 -15
by SA [redacted] mcl Date dictated 9/3/70

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FEDERAL BUREAU OF INVESTIGATION

Date 9/4/70

[redacted] personally appeared at the office of the Federal Bureau of Investigation, Phoenix, Arizona at 11:12 AM on September 1, 1970.

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At 11:15 AM Special Agents [redacted] and [redacted] identified themselves to [redacted] and credentials exhibited to him after meeting with him in an interview room at the office of Federal Bureau of Investigation. The discussion was begun concerning [redacted]

[redacted] immediately brought up the subject of his being granted immunity if he consented to any discussions concerning the matter at hand [redacted] advised he has known [redacted] BRADLEY FUNK for a number of years since [redacted]

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[redacted] said that when he talked to Congressman STEIGER that Congressman STEIGER assured him of immunity from prosecution in connection with the information furnished to Congressman STEIGER.

It was pointed out to [redacted] that information has been received that he has furnished similar information to newspaper reporters [redacted] along with other individuals named [redacted] With this [redacted] replied that when he talked with [redacted] that [redacted] assured him of immunity from prosecution in connection with the information furnished to [redacted] In connection with talking with [redacted] [redacted] said that [redacted] did not outrightly promise immunity to him but that

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On 9/1/70 at Phoenix, Arizona File # PX 139-102 16
by SAs [redacted] and [redacted] Date dictated 9/3/70
[redacted] /ECM/mcl

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PX 139-102
BCM/mcl

[] knew a [] in New York who had a lot of power and who would see that he was granted immunity. [] said that he had not been granted immunity by either []

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At this point [] was informed that no promise of immunity could be made to him by the interviewing agents in any sense of the form, that prior to any discussions with him he would have to understand the interview would be completely voluntary on his part, and that he would have to acknowledge the previously mentioned "Waiver of Rights" form presented to him by either signing the form or acknowledging he understood those certain rights prior to any interview with him. He was being presented with such rights since he could be a subject of an alleged allegation of a wire tap matter which comes under the FBI jurisdiction.

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[] was hesitant upon talking with the interviewing agents concerning the matter at hand unless he was granted some type of immunity. [] was informed by SA [] that if he had an attorney he may wish to consult with his attorney prior to acknowledging a waiver of any of his rights. [] said that prior to coming to the FBI Office he had spoken with his attorney [] who in turn had told [] that "he was a fool to discuss the matter with the FBI."

With this SA [] informed [] that it was felt he should contact his attorney before he went any further in acknowledging his waiver of rights. This he agreed to do and at 12:04 PM he attempted to contact his attorney but his attorney was out to lunch.

[] was greatly concerned that he was given the impression should he talk with the FBI he would be granted immunity. He was informed that before any immunity could be granted this matter would have to be taken up with the U. S. Attorney, Dr. RICHARD K. BURKE, who in turn would have to discuss with and receive approval from the U. S. Justice Department, Washington, D. C.

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At 12:28 PM it was decided that [] should consult with his attorney before going any further. At this time the interview was concluded and [] left the office of the Federal Bureau of Investigation.

Track probbers' phones tapped

Berger is informed after 'double-cross'

By DOM FRASCA

Copyright 1970, The Arizona Republic

A former dog track investigator has charged that the telephones of an Arizona congressman, the State Racing Commission chairman and others, including a newsmen, were tapped in an attempt to thwart an official investigation of the state's dog and horse racing operations earlier this year.

His charges are the basis of investigations now under way by the FBI and the Maricopa County attorney's office.

George Harry Johnson, 42, the one-time investigator who now describes himself as being in the building business, has freely admitted hiring the wiretapper.

His willingness to acknowledge his involvement, he related, resulted from a double-cross in a business deal "by people I once trusted with my life."

Johnson said he will identify the wiretapper if he is given immunity from prosecution. Federal and county authorities are considering the question of immunity and Johnson met most of yesterday with County Atty. Moise Berger.

Spokesmen for the two firms that have joint control of Arizona's six dog tracks and of the Prescott Downs horse track told The Arizona Republic they were aware that Johnson was investigating some of their critics. But they disclaimed knowledge of any wiretapping.

Bradley Funk, one of the directors of the Funk Greyhound Racing Circuit, Inc., said he hired Johnson to conduct an investigation of "some people who were out to get us."

"But as far as I know," Funk declared, "there was never any wiretapping."

Walter Cheifitz, a member of the Phoenix law firm which represents the Funks' partner in Arizona racing — the Emprise Corp. of Buffalo, N.Y. — conceded that he gave Johnson some assistance to carry out the investigation.

"He asked for help in getting some court records and we did help him," Cheifitz said.

Johnson has told federal and county investigators that wiretaps were installed on:

—Four telephones in the Federal Building in Phoenix which are assigned to Republican Rep. Sam Steiger and his administrative assistant, Michael Jarvis.

—The telephone in Jarvis' Phoenix home.

—Two telephones in the Tucson office of Racing Commission Chairman John Goodman, and one at his home.

—A telephone in the Phoenix law office of Maricopa County Board of Supervisors Chairman J. Robert Stark.

1 ARIZONA REPUBLIC
PHOENIX, ARIZONA

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9-13-70
Morning

aka; UNSUBS

IOC

139-102-17
Phoenix

xcc: EMPRISE 162-208

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 14 1970	
FBI—PHOENIX	

The telephone in the Phoenix home of Republic reporter Don Bolles.

The telephone in the Phoenix home of businessman Jack London, a former campaign aide to Steiger.

During interrogation by county investigator Ned Brennen, Johnson reportedly said he was paid \$15,000 for the total investigation, including the wiretapping, of Steiger, Bolles and the others.

Earlier, he showed two Republic reporters a check stub indicating a check had been drawn to him for \$4,426.26 and asserted that it represented the final payment on the \$15,000. Typewritten notations on the stub listed the check number as "5013" from "special account 120" of "Greyhound Parks of Arizona," which formerly operated dog racing tracks in Tucson and Phoenix.

U.S. Atty. Richard Burke considers the case so important that he personally interviewed Johnson on Sept. 4.

It is also known that Burke has been conferring regularly during the recent weeks with FBI agents assigned to the case.

But officially Burke and County Atty. Berger would confirm only that "the matter is under investigation."

An FBI spokesman said agents "are doing preliminary work" on the case. The FBI, it was reported, is concentrating on tracing the money which Johnson said was paid to him.

Johnson told investigators he paid an employe of Mountain Bell Telephone Co. \$1,600 for a list of interzone telephone numbers called by Bolles and Goodman and other work.

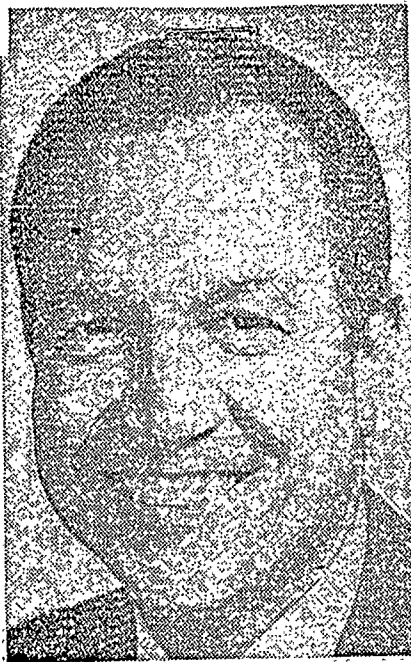
He produced the list of calls made from Bolles' home phone. It proved accurate.

To support the charge of wiretapping, he reported on a long-distance telephone conversation between Bolles and a former member of the Arkansas Racing Commission. It also proved accurate.

All the phones were tapped intermittently from early April through early June, Johnson reported.

During most of that period, the State Racing Commission was conducting an investigation to determine whether it would approve a renewal application from the Funk racing corporations and the Emprise Corp. of Buffalo for the joint operation of the state's six dog tracks and Prescott Downs. Such approval is required annually.

Last June 2, the five-member racing commission unanimously approved the Funk-Emprise application for the year



J. Robert Stark
supervisor chairman

of dog and horse racing ahead.

Johnson first presented his wiretap charges to Steiger, who had charged earlier in the year that Emprise had done business with members of organized crime.

While Steiger was in Washington, Johnson telephoned him and arranged a meeting for Aug. 14.

The meeting took place in Scottsdale. Steiger was accompanied by his wife, Lynda, and Johnson showed up alone. It was then that Johnson first revealed his charges.

Johnson gave Steiger letters, assorted documents and tapes of his own telephone conversations which he had monitored. All of the material gave credibility to Johnson's story.

Arizona law does not prohibit the taping of your own telephone conversations.

On Aug. 16, Steiger contacted representatives of this newspaper and told them about his meeting with Johnson. He also gave Bolles copies of everything that Johnson had turned over to him.

The contents of some legally recorded phone conversations, furnished by Johnson will be published in The Republic tomorrow.

Steiger again met with Johnson Aug. 17 in Globe. That same day, Steiger notified Robert Gebhardt, the director of the FBI's Phoenix office, of Johnson's story.

Later, Steiger also notified the county attorney's office.

Explaining why Johnson was hired as

an investigator, Bradley Funk said:

"We thought some people were out to get us and we tried to find out who they were and what motivated them and why they were trying to put us out of business. So we hired Johnson to see if he could help us do that.

"We went through a lot of hell and a lot of expense that we didn't deserve a few months ago," Funk added. "After Johnson was finished with us, he turned around and went to the other side to try and sell some more information.

"If that's the kind of person you want to deal with," Funk continued, "that's your business. But I wouldn't give you 10-cents for the deal."

Cheifetz, the Emprise lawyer, said:

"Johnson came to me and claimed Steiger was connected with Las Vegas gamblers and crooked promoters who kept memos of all of our conversations."

In connection with Johnson's probe of Steiger, Cheifetz said that Johnson asked him for help in getting some court records and he provided such help to him.

Cheifetz is a member of the Lewis, Roca, Beauchamp and Linton law firm in Phoenix.

Among the letters produced by Johnson was one from Cheifetz and addressed to "Dear Mr. Johnson." It was dated "May 4, 1970" and a notation near the bottom of the letter indicated that copies were sent to "Mr. Bradley J. Funk" and "Mr. Max Jacobs," a director of the Emprise Corp.

Cheifetz informed Johnson in the letter:

"Pursuant to your request I asked our Washington office to obtain for us a copy of the SEC public files pertaining to Mr. Jack London and his companies. It is my understanding that your investigation leads you to believe that there is, or was, some business relationship between Congressman Steiger and Mr. London."

Cheifetz went on to state in the letter that "there is no SEC file on Mr. London." He then noted that an injunction obtained by the SEC had been filed against a company operated by London in 1962 and assured Johnson that he would send him a copy of the injunction and related court records.

"It will take about 10 days to get," Cheifetz wrote.

At one point, investigators pressed hard to get Johnson to name the wiretapper and he finally identified a man who was killed in a plane crash last month. But later he said he would identify the wiretapper only if he was given immunity.

He said he would testify "without hesitation" before federal and county grand juries under the cloak of immunity.

"I'll give them the whole messy story," Johnson said. "But first they got to give me immunity because I don't want to be the fall guy."

He insisted that the wiretapper is not a private investigator.

"If I ever name him," he said, "some of you are going to be surprised because you know him."

If Johnson is granted immunity, it is likely that it will come from the county first rather than the federal government. On the county level, the process of granting immunity to prospective witnesses is much simpler. In federal cases, petitions for immunity must be approved by the Justice Department in Washington.

Steiger was in the thick of controversy that flared for months over the operation of racing in Arizona. His charge that Emprise was tied to members of the national crime cartel was previously raised in New York state by former U.S. Atty. Robert M. Morgenthau Jr., a Democrat.

In 1968, after Emprise became involved in New York state racing, Morgenthau subpoenaed Louis Jacobs, a founder of the firm, for an appearance before a federal grand jury.

Morgenthau wanted to question Jacobs chiefly about reported business dealings with New Jersey mob boss Gerardo "Jerry" Catena and Meyer Lansky, who spends most of his time in Florida and is regarded by the FBI as one of the nation's top three racketeers.

Jacobs avoided grand jury appearance with a series of legal maneuvers based on his asserted inability to undergo

questioning because of failing health. He died before Morgenthau could question him, cutting short the probe.

In Arizona, Emprise has reacted vigorously to charges that the firm has done business with members of the national crime syndicate.

Emprise and its partners in Arizona racing brought a lawsuit against 14 Arizona greyhound breeders, accusing them of attempting to undermine the reputation of the dog track in Yuma. The suit is still pending.

Though Steiger was not sued by the racing operators, the litigation against the 14 greyhound breeders has given him legal problems. He was subpoenaed as a witness and has been asked during a series of court appearances to substantiate his charges of Emprise's ties to crime figures.

Steiger has refused to do that, claiming it would force him to breach official and confidential sources of information which are available to him solely because he is a member of Congress. While he has not said so, the implication has been clear that some of his information came from secret Justice Department files.

Consequently, Steiger had to fight legal moves to cite him for contempt of court. The threat of such action apparently faded Sept. 5 when Steiger appeared before Superior Court Judge Charles L. Hardy at a closed hearing.

After Steiger was questioned by the lawyers for the track operators, Hardy ordered the transcript sealed, seemingly satisfied there were no grounds for a contempt of court citation.

In Washington, Steiger was recently appointed to the powerful House Select Committee on Crime.

Referring to Johnson's charges of wiretapping, Steiger said:

"It's incredible to discover the lengths to which these people have gone to intimidate, to pry and to bribe. Of course, I'm angered by the invasion of my privacy and that of my family.

"But more importantly," he added, "even the most seasoned politician would be alarmed over the ruthless disregard shown here for the rights of others."

Asked what he meant by the use of the word "bribe," Steiger said he was referring to Johnson's information indicating that a telephone company employee supplied telephone numbers called by Bolles and Goodman after receiving a payoff.

Jarvis, Steiger's administrative assistant, said:

"This is a small price to pay for the privilege of working for a guy with guts. Naturally, my wife and kids are scared."

Goodman, the chairman of the racing commission, said he was so concerned about the reports of wiretapping that he asked Mountain Bell to check his phones.

"They found nothing," Goodman said, "and I just don't know what to think."

Goodman's phones were checked last month. According to Johnson, all the wiretaps were removed last June.

Stark, the board of supervisors chairman who is a practicing attorney, said he was "shocked that anyone would invade the privacy of an attorney and his clients."

Bolles, whose work as an investigative reporter has gained him wide recognition, said he hoped the county and federal probes "ferret out the facts so we can get to the bottom of this thing."

Bolles did exhaustive work to focus attention on the operation of racing in Arizona.

London could not be reached for comment.

Correction

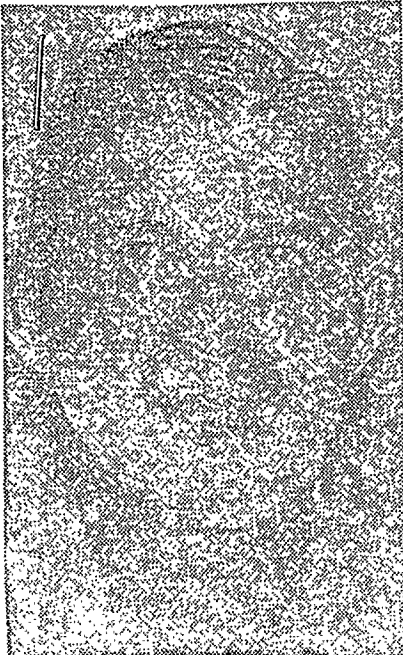
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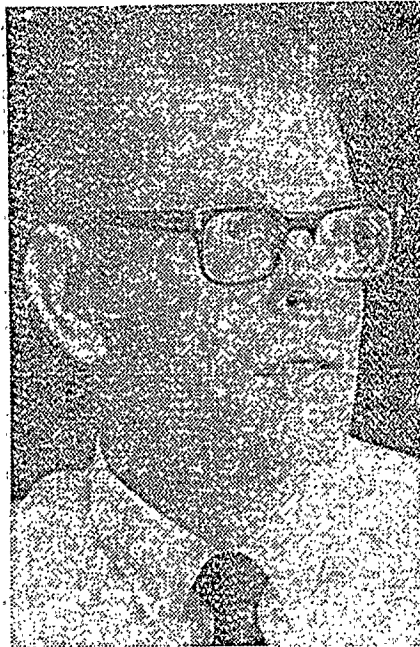
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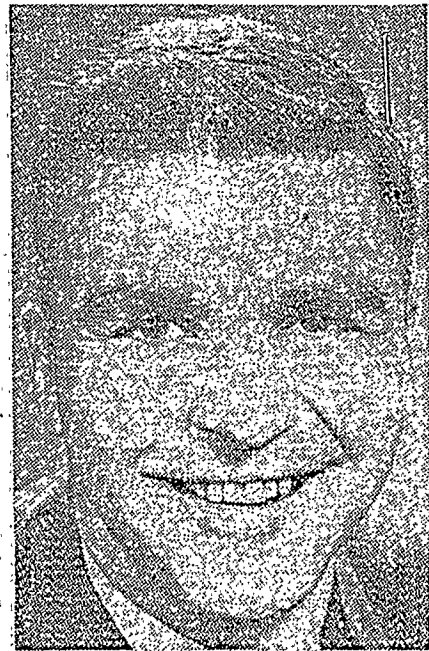
The Republic regrets the error.



George H. Johnson
track ex-investigator



Don Bolles
Republic reporter



Sam Steiger
U.S. congressman

Track firms cozy with officials of state, tapes imply

By DON BOLLES

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Tape recordings indicating a cozy relationship among certain prominent state officials and politicians and the Funk-Emprise dog racing firms have been turned over to the FBI, The Arizona Republic has learned.

Bradley Funk, an official of the firms which operate seven dog and horse tracks in Arizona, told The Republic, "Some of those conversations are familiar to me." He then asserted a former employee had stolen the tape recordings from his office.

Included in the recordings were four items of major interest:

—Conversations between Albert Funk and men with intimate knowledge of Arizona Racing Commission matters, who had the same first names as three of the commissioners, showing the Funks were guaranteed they would receive 1970-71 racing permits two weeks before a June 2 formal hearing at which the permits were granted.

(Brad Funk said he didn't know anything about those specific conversations, adding, "We have conversations with racing commissioners as a matter of course about every day of the week.")

—Statements indicating existence of a planned campaign, using private investigators and New York public relations experts, to defeat U.S. Rep. Sam Steiger, R-Ariz., for re-election in order that he could not continue his criticism of the dog tracks.

—Existence of a letter from Sen. Barry Goldwater, R-Ariz., to Art Funk, promising to pass on any information regarding a Justice Department probe of Emprise Corp. Goldwater conceded he sent the letter April 15 but said, "I don't see anything wrong."



Don Butler

—Conversations showing meetings between C. R. Krimminger, Gov. Williams' chief aide, key legislators and the Funks in regard to a dog racing reform bill which passed the House but died in the Arizona Senate. Krimminger said the Funks were just giving him the same information they gave to legislators. He said he did call State Auditor General Ira Osman to ask about an investigation of Racing Commissioner Don Butler.

Contents of the recordings were obtained by Republic reporters as they probed reports the FBI and Maricopa County attorney's office are investigating possible wiretapping on phones of Steiger, his aides, Racing Commission Chairman John Goodman, Maricopa County Supervisor Chairman Bob Stark, Republic reporter Don Bolles and others.

The recordings were turned over to the FBI by Steiger, who in turn received them from George Harry Johnson, a former Greyhound Park investigator. Johnson told reporters Albert Funk legally made the recordings on his own telephone and gave them to him to edit.

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Shocked by what he has learned of the disclosures, Goodman gave a report on them to Gov. Williams last week and repeated his information to Krimminger.

Krimminger said no action has been taken on the state level because "there are no facts given to us yet."

Goodman told The Republic by telephone from Illinois, "If there is legal evidence there, we will certainly have a full investigation. We've got to."

Earlier this year, the State Racing Commission held many hearings on charges by dog owners that the Funks and Emprise, who operate the state's six dog tracks and Prescott Downs horse track, were trying to bankrupt local kennels.

That led to a showdown June 2 hearing, at which time the commissioners voted 5-0 to grant annual permits for the next racing season. Osman was critical of the track financing practices.

Voting to approve the permits were Goodman and Commissioners Al Marth of Phoenix, Butler of Tucson, Tom Finley of Chandler and Robert Kieckhefer of Prescott.

On May 20, a person identified by Johnson as Albert Funk dictated a memorandum to himself and others regarding a telephone conversation the previous night with Marth.

And then he started a telephone conversation with a person named "Al," saying, "Listen, you know I forgot almost everything you told me last night except one thing. I'd like you to clarify it for me if you can. You said the commission was going to ask 20 questions of Osman?"

The voice of "Al" replied, "Yeah, there's nothing wrong. Just 20 questions of Osman. Between you and I, we'll probably ask you some of those questions for clarification, just to make a show . . . We'll let you know what we're going to ask you . . . We're not going to catch you unawares."

The voice continued, "Between you and I, the commission wants to look halfway decent to get out of this."

Funk replied, "Okay, that kind of kept me awake last night but now I can go back to bed."

The voice of "Al" ended by asking for passes for a friend, presumably for the Prescott horse track.

Marth absolutely denied that he made such a call to Funk. "If you have a tape that has my voice on it, you've got a tape with a voice just like mine," he asserted.

He denied telling Albert Funk, as one recording indicated, that "Tom and Don are for us and you know I'm for you," or that he was critical in a phone conversation of fellow commissioners Goodman and Kieckhefer.

Marth asked a reporter, "Why the hell should I talk about my commissioners?"

On about the same date, a voice identified by Johnson as that of Albert Funk dictated another memorandum, which said in part:

"I met with Don Butler on Thursday night. Don is very positive we're going to get our permits issued without too much trouble. He feels definitely Tom Finley and Al Marth feels we'll probably get Bob Kieckhefer but he does not recommend we try to have a meeting with Kieckhefer, he feels that Kieckhefer is too close to Jack Goodman at this point.

"It was Don's opinion," the memo continues, "that Osman would be asked to testify just as we had anticipated, but he expressed that the commission was going ahead and vote for the granting of the permits no matter what Mr. Osman had to say."

A reporter read to Butler the transcript of a May 12 conversation, which Johnson said was between Albert and Art Funk and Butler.

The voice identified as Albert Funk's said, "Don, I had a long talk with Tom Finley last night. He said a couple of things that disturbed me."

He then went on to suggest Butler go

to the Yuma County attorney, Roy Jones, and get a letter clearing him of conflict of interest charges lodged by Osman earlier. Art Funk mentioned he had talked to Krimminger on the matter.

When Butler was asked if he recalled the conversation, he replied, "Vague . . . If you've got it, you've got it."

Asked if he had talked to the Funks before the June 2 meeting, he replied, "I might have talked to Albert." He said he didn't prejudge the granting of the permits, however.

Earlier this year, Butler lived in Yuma and . . . and syndi-

cate in which the Funks had a \$20,000 interest. Osman recommended the matter be turned over to the Yuma County attorney. Butler said last week he now is in the cattle management business in Tucson.

A man identified by Johnson as Finley also had a conversation with Albert Funk June 9, and agreed to talk with New Mexico Racing Commission Chairman Bobby Lee in regard to troubles Emprise Corp., the Funks' partner, was having in that state.

Finley could not be reached for comment.

Goldwater said he wrote in mid-April a letter, which is referred to in one of the telephone conversations between men identified as Jerry Jacobs, a top official of the Emprise Corp., and Art and Albert Funk.

The letter from Goldwater to Art Funk stated, "I have been following with interest the problems you have been hav-

ing with greyhound racing. I am really not sure what we can do from this end."

"We discussed this in our Arizona delegation meeting, but we really don't have much to offer you. Sam Steiger says that he has waived his congressional immunity and if you feel he has done something wrong, you should institute a suit against him."

"I believe you know that Mo Udall (Tucson Democratic congressman) has asked the Justice Department for any information that they have, and I will pass on any information I have. Sincerely, Barry."

A voice on the monitored phone conversation, identified as that of Jacobs said, "Send me a copy of Goldwater's letter . . . I think we should talk to Barry Goldwater directly . . . Art, do you know him?"

"Yeah, I know him, for about 50 years," the reply came back.

The voice identified as Jacobs continued, "When Udall rides in my uncle's car and tells them that kind of stuff, he's obviously . . . helping to spread the rumor."

The voice identified as Albert Funk commented, "I'll try and straighten Mr. Udall out."

(A spokesman for Udall said he could not understand the reference to Jacobs uncle's car, and said Udall had not met with the Funks at any time.)

Goldwater said he went to school with Art Funk but the only thing he ever did for him on racing was to sit down with two men from Detroit who told him that Emprise was a "nice, clean, family outfit."

In another phone conversation, the voice identified as Albert Funk remarks that "I think the legislature is pretty well in hand," tells of meetings with lawmakers, and asks Jacobs, "Where do you stand with Rosenzweig?" (Presumably, the reference was to Harry Rosenzweig, longtime state Republican chairman of Arizona.)

The reply was muted, but Jacobs went on to remark Goldwater was "at the derby but I didn't get to see him."

The attempt to discredit Steiger runs throughout the conversations, particularly in a May 5 conversation between voices which Johnson identified as those of Albert Funk and New York public relations man Hal Antin, who has recently stayed at the TowneHouse here.

The voice identified as Antin said, "Max was on the phone Friday for two hours. He wants me to take on the assignment of, you know, doing a job on Steiger. The full works, meaning we collect sufficient material on him from qualified agents and agencies—two are already pretty well finished up."

"He wants to devise a campaign to defeat Steiger in his re-election . . . You'll never, never make a deal with him."

"Get a file on the guy, from the minute he was born type of thing to this minute, and use that material to defeat him . . . As far as the money is concerned, I'm sure that could be somehow handled," the voice continued.

Antin could not be reached for comment.

Correction

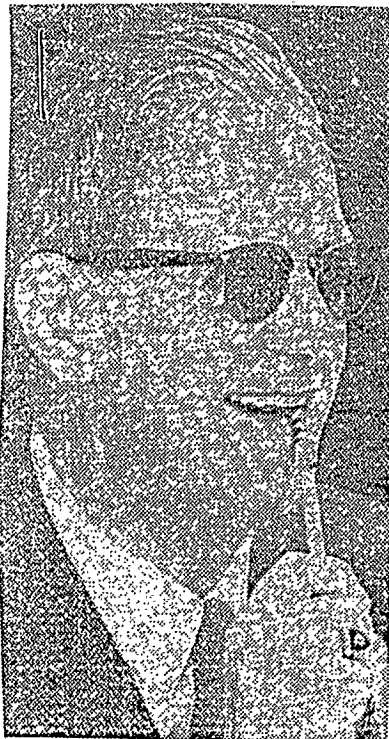
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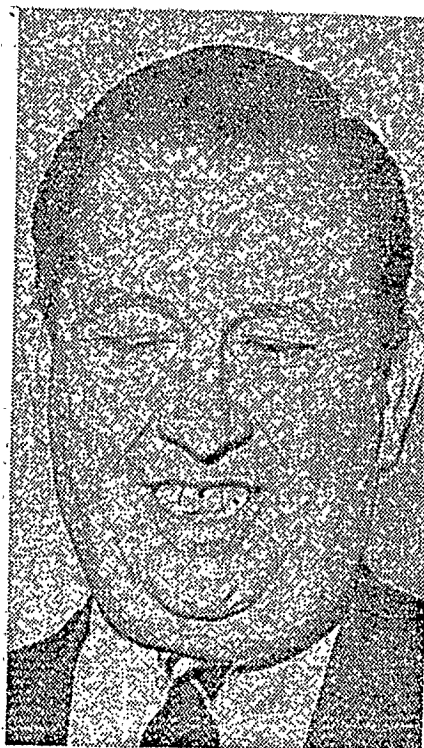
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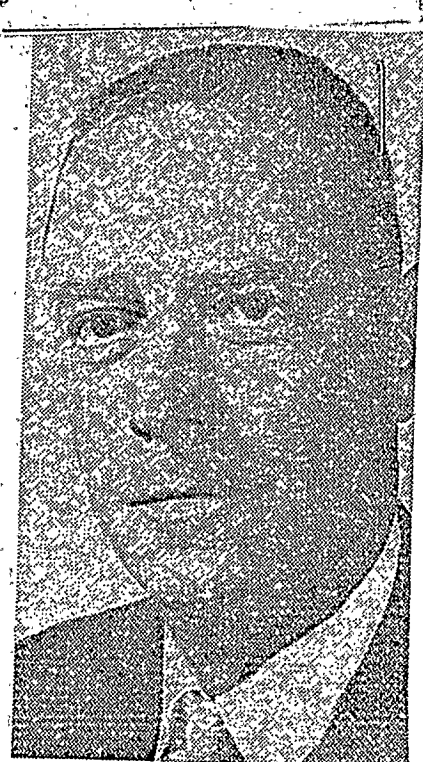
The Republic regrets the error.



Al Marth



Art Funk



Tom J. Finley

Action on track charges awaits report to Williams

By DON BOLLES

Gov. Williams said yesterday he will await a report from the state attorney general before taking any action on new disclosures regarding Arizona dog racing.

Williams passed up an opportunity to listen to copies of tape recordings which indicate that at least three of the five State Racing Commission members were in consultation with dog racing operators about two weeks in advance of a showdown hearing on June 2 at which renewal racing permits were awarded to the operators by the commission.

However, Williams said he had consulted with Atty. Gen. Gary Nelson and U.S. Attorney Richard Burke.

"They are trying to determine if this is a state, federal or county case, or all three," he said.

"As soon as Gary reports to me, I'll take whatever action he recommends," the governor added.

Williams was questioned in connection with reports that the FBI and Maricopa County attorney's office are investigating whether illegal wiretaps were placed on telephones assigned to U.S. Rep. Sam Steiger, R-Ariz., State Racing Commis-

sion Chairman John Goodman, Board of Supervisors Chairman Bob Stark, a newsman and others, and whether other crimes were committed in attempt to thwart an Arizona racing probe.

County Attorney Moise Berger was not available for comment on whether he met yesterday with George Harry Johnson of Phoenix. Johnson told two Republic reporters he had hired a wiretapper as part of an investigation aimed at blocking critics of Arizona dog racing and that he would so testify if given immunity from prosecution.

All six Arizona dog tracks are jointly owned by the Funk family and the Emprise Corp. of Buffalo, N.Y. Bradley Funk has admitted hiring Johnson to investigate the tracks' critics but he strongly denies any knowledge of wiretapping.

If Johnson's story is true, he may be given immunity under a 1969 law which states:

"If a witness in any judicial proceeding claims the privileges against self-incrimination but is required by the court to give testimony or produce evidence,

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the witness shall not be prosecuted or subjected to any penalty or forfeiture for, or on account of, any transaction, matter or thing concerning which he testifies or produces evidence."

Burke said he could not give any report on the federal probe, but did say, "I've been in consultation with the attorney general since the beginning, and we're continuing to investigate these charges."

Meanwhile, there were these other developments in the track controversy:

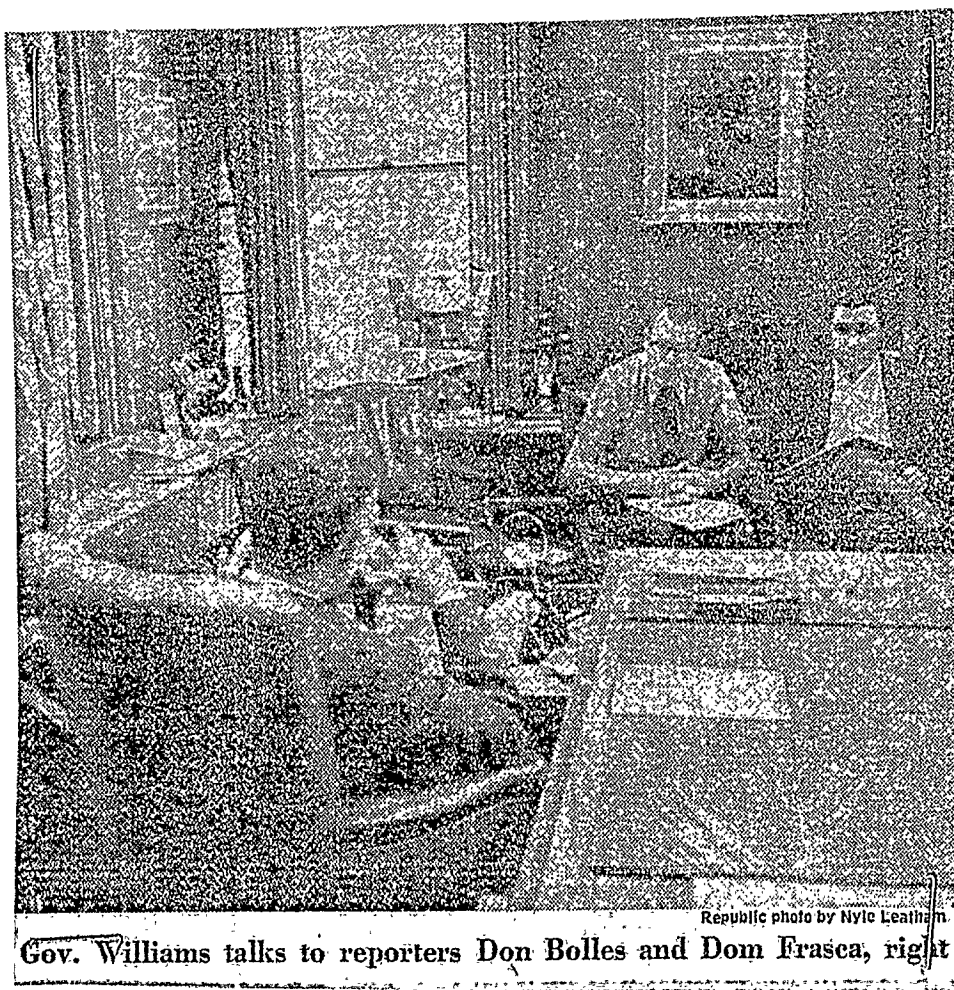
— State Auditor General Ira Osman received a Sept. 2 order from the U.S. Securities and Exchange Commission which makes permanent a June 10 order affecting the Tucson Turf Club. The SEC said the club's stock no longer could be exempt from federal control because of "false and misleading" statements which hide true ownership by Emprise of 218,000 shares.

— House majority leader Burton Barr, R-Maricopa, pledged that the dog racing reform bill, which passed the House last session but died in the Senate, will be introduced again on opening day in 1971 and "it will receive the kind of priority it deserves."

— U.S. Sen. Barry Goldwater, R-Ariz., said he contacted the Justice Department a few months ago after two Michigan men came to him to deny Steiger's charges that Emprise has done business with organized crime.

He said an official named George Rivercomb told him an investigation was under way. "What it boils down to was the Justice Department feels there is something there to substantiate Steiger's charges but they haven't been able to come up with anything they can put their hands on in the way of actual violations," Goldwater said.

— Johnson, it was learned, also has told county investigators that he got a banker to check Republic reporter Don Bolles' bank accounts and charge accounts and went deeply into Steiger's private life.



Republic photo by Nyle Leatham

Gov. Williams talks to reporters Don Bolles and Dom Frasca, right

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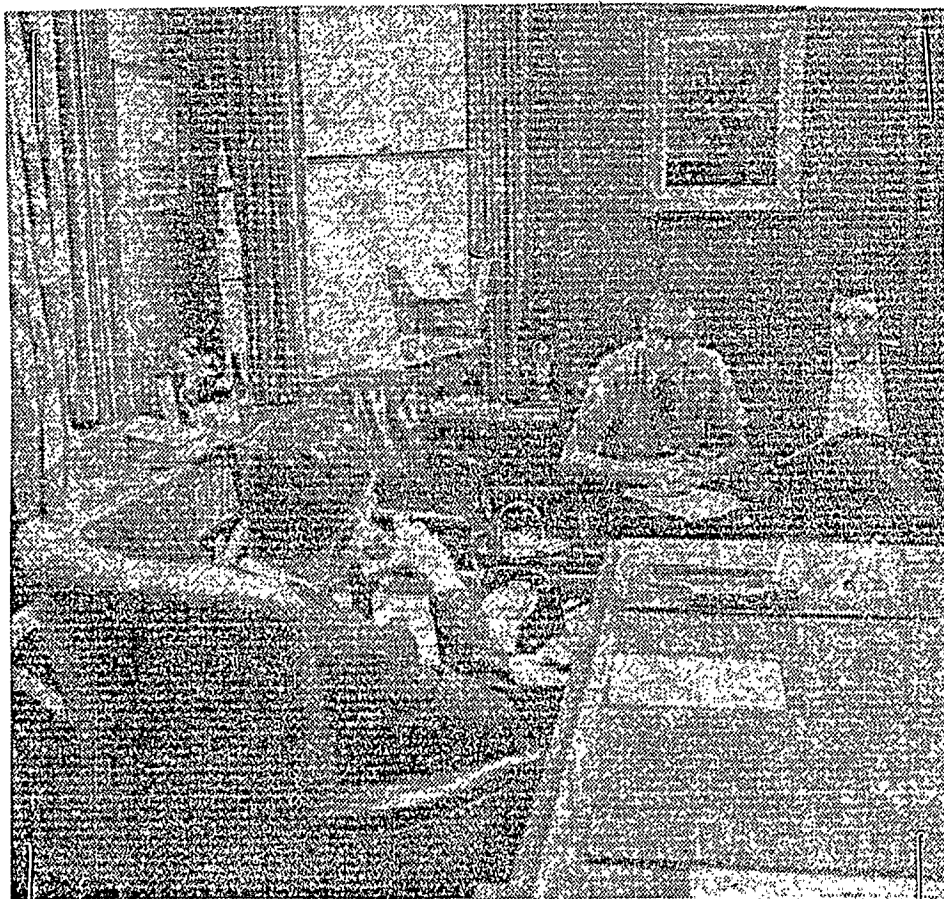
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Republic photo by Nyle Leathorn

Gov. Williams talks to reporters Don Bolles and Dom Frasca, right

U.S. grand jury may probe wiretaps

By DON BOLLES

Investigation into charges that the telephones of a congressman and other persons were tapped is headed for a federal grand jury. The Arizona Republic learned yesterday.

Maricopa County Attorney Moise Berger decided to step aside and let federal authorities take over after conferring yesterday morning with George Harry Johnson of Phoenix, who made the wiretap allegations, and with U.S. Attorney Richard Burke.

"I think this is a matter for a grand jury, very definitely," Berger said.

However, he said the county does not have a permanent grand jury, and there is much red tape he must cut through before a grand jury can be called.

Burke, however, noted that a federal grand jury is now in session and could take up the matter if it is referred to that body.

He said he is conferring with Justice Department officials in Washington and probably will ask them to start the grand jury probe "fairly soon."

Johnson, a former employe of Greyhound Parks of Arizona, has told Rep. Sam Steiger, R-Ariz., and two newsmen that he hired a man to tap telephones of Steiger, Racing Commission Chairman John Goodman, Maricopa Supervisor Chairman Robert Stark, a Republic reporter and others.

A spokesman for the dog tracks has said Johnson was employed by them to investigate certain persons but denied any knowledge of wiretapping.

A routine meeting of the Arizona Racing Commission is set for 10 a.m. today at the commission's Phoenix office but recent disclosures concerning relationships between the commissioners and track operators may come up.

Meanwhile, Commissioner Tom Finley of Chandler confirmed that he did call New Mexico Racing Commission Chairman Bobby Lee last May at the behest of Al Funk, one of the racing operators here, as reported in Monday's Arizona Republic.

At the time, New Mexico was investigating the Emprise Corp. of Buffalo, N.Y., which is a partner with the Funks in the Arizona tracks.

"I told Bobby the stuff we knew about in Arizona," Finley said. "I've known Bobby Lee for years and years. There wasn't anything improper."

He denied that he had prejudged the application for renewed racing permits from the Funk - Emprise interests here two weeks before the permits were approved at a June 2 commission meeting.

In other developments, a spokesman for Jerry Jacobs, top official of Emprise, denied there was any planned campaign by Emprise to defeat Steiger for re-election because he had charged the firm did business with the Mafia.

Lawyer Brian Goodwin also said on Jacobs' behalf, in answer to a reporter's questions:

—An Eastern public relations man named Hal Antin had "limited employment" with the Funks but never was employed by Emprise. Johnson alleged that

Antin was to direct the anti-Steiger drive.

—U.S. Rep. Morris Udall, D-Ariz., did ride in the automobile of Jerry Jacobs' uncle in Oregon and did discuss the company's troubles, but "Udall wasn't particularly aware he was Jerry's uncle—it was a different last name."

—There was no attempt by Jacobs to exert undue influence on New Mexico Racing Commissioner William C. Gallagher, as tape recordings given to Steiger by Johnson seemed to show.

Steiger discussed the new federal wiretap statute in his weekly report to constituents yesterday, but made no mention of allegations that he was a victim of wiretapping.

He said the 1968 crime control laws made it illegal "for private individuals to use or possess any devices primarily designed for surreptitious interception."

However, Steiger said the Justice Department's power to wiretap criminals, under heavy safeguards for the innocent, has resulted in the arrest of 419 persons within the past 18 months.

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Funks' Greyhound Racing Circuit



September 12, 1970

Hand delivered

The Arizona Republic
Phoenix, Arizona

Gentlemen:

On Friday, September 11, I received calls from two of your reporters advising me that your paper intended to print two news stories derived from material presented to your paper by George Johnson. One story alleges that Johnson employed wiretappers on our behalf to wiretap the telephones of Donald Bolles, Sam Steiger, and others; the other story deals with purported tape recordings of certain telephone conversations.

As I emphasized to your reporters, our experience with George Johnson convinces us that he is an extremely dangerous psychopathic liar with violent propensities and a fanatical desire for publicity and recognition. We have employed security personnel to protect the lives of certain of our officers from Johnson and would suggest that you consider similar measures for your personnel who have to deal with him.

He first came to our office and related some information about Sam Steiger when Mr. Steiger was engaging in a very vicious attack upon our business, and he offered to get further information if we would employ him as an investigator. He dug up a great deal of information about Mr. Steiger but seemed to be prolonging the investigation; we then began to realize that Mr. Johnson was in serious financial difficulties and that he had managed to take a very substantial sum of money from us with a series of unauthorized expense vouchers.

About this time Johnson adamantly insisted that he could prove that Donald Bolles and Sam Steiger were part of an underworld effort to destroy Emprise and us in Arizona. We had other information which lent plausibility to this theory, and Johnson embarked on a

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Greyhound Tracks: Phoenix, Tucson, Amado, Yuma, Black Cat
Apache Junction, Arizona; Thoroughbred Track: Prescott, Ariz

Reply to: 3801 East Washington Street

Phoenix, Arizona 85034



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very zealous effort in this direction.

Time does not permit us to give the details of all of the acts of Mr. Johnson, but we believe that your newspaper is well aware of his background and nature and that the defects in all of his accusations are obvious. Mr. Johnson's claims that we authorized or participated in any way in any wiretapping are obvious lies which we deny most emphatically, and his accusations could only be published by you in a malicious, punitive attempt to destroy Greyhound racing and our business in Arizona. Mr. Johnson had no authority to record any telephone conversations, and any purported recordings of telephone conversations were feloniously presented to you and could well be contrived and distorted as part of the plot against us.


We would certainly welcome an investigation of these accusations by the authorities, and we intend to seek criminal prosecution for the various criminal acts against us and against any persons who have received property stolen from us. If any of your personnel have any of our property delivered to you by George Johnson, we demand that you immediately return it to us. We will also seek civil remedies, including punitive damages, from anyone who participates with Mr. Johnson in his bizarre scheme to defame us.

I wish to emphasize that we strongly urge you to refrain from publishing any material presented to you by George Johnson and would suggest that we arrange to meet with you and your counsel at an early date.

Very truly yours,

FUNKS' GREYHOUND RACING CIRCUIT

By


BRADLEY J. FUNK

Copies hand delivered this date to:

Mr. Mason Walsh
Mr. Harry Montgomery
Mr. Randall Barton
Mr. J. Edward Murray
Mr. Thomas K. Sanford, Jr.

Funks' Greyhound Racing Circuit



September 16, 1970

The Honorable Governor Jack Williams
State Capitol
Phoenix, Arizona

Dear Governor Williams:

On Saturday, September 12, 1970, (the day before the Arizona Republic printed its first story about alleged wire tapping) the attached letter, on stationery of Funks' Greyhound Racing Circuit, was hand-delivered to the Arizona Republic.

The letter was written because we had been informed that the Arizona Republic was about to launch another attack on greyhound racing. It was our desire to make a full disclosure of our dealings with Mr. George Johnson in the hope that the Arizona Republic would investigate and learn the truth before printing a series of stories based upon the allegations of a man who appears unable to tell the truth.

Obviously our efforts to persuade the Arizona Republic were to no avail. The evidence seems more conclusive than ever that the Arizona Republic is less interested in journalistic integrity and its obligations to its readers than it is in destroying Funks' Greyhound Racing Circuit and greyhound racing in Arizona.

We are hopefully confident that you and other responsible State leaders will reserve judgement on this matter until all the facts are made known.



Very truly yours,

FUNKS' GREYHOUND RACING CIRCUIT

Bradley J. Funk

BJF:cg
Enclosure

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1970	
FBI - PHOENIX	



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23

Commission joins probe of racing

By DON BOLLES

The Arizona Racing Commission yesterday asked investigating authorities for any information about possible wire-tapping and other allegations which relates to its regulation of dog track operators.

The commission made the request in identical letters to U.S. Attorney Richard Burke, State Atty. Gen. Gary Nelson, and Maricopa County Attorney Moise Berger.

The letter said:

"It has been reported in various news media that your office has engaged in an investigation of the activities of George Harry Johnson.

"It was further reported that Mr. Johnson, during the course of the activities under investigation, was allegedly employed by controlling interests of some Arizona dog and horse tracks.

"It is the function of this commission to supervise horse, harness and dog races in Arizona and to license and regulate tracks, officials and persons connected with racing meetings.

"In the event that your present investigation discloses any information concerning a corporation, person or official licensed by this commission that might constitute grounds for disciplinary action on such license, the commission would appreciate such information being made available to it so that it may carry out its function.

"If we may be of any assistance to you in this matter, please do not hesitate to get in touch with us."

The letter was drafted in closed session of the Racing Commission Wednesday.

The session came after Johnson alleged that he was employed to dig up personal information on track critics, in-

cluding Rep. Sam Steiger, R-Ariz., and a newsman, and that he hired a man to tap various telephones including those of Racing Commission Chairman John Goodman.

Dog track operators have admitted hiring Johnson but denied any knowledge of wiretapping. They contend their former investigator is a man who should not be believed.

However, it has been learned that authorities do believe Johnson and are preparing to take his information to a grand jury.

Burke, Nelson and Berger met Wednesday afternoon to work out details of the three-way probe.

Berger said yesterday, "The conclusion of our meeting was to the effect that the U.S. attorney is going to pursue this investigation and will probably request a federal grand jury."

1 ARIZONA REPUBLIC
PHOENIX, ARIZONA

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9-18-70
Morning

UNSUBS.

IOC

139-102
Phoenix

x

139-1021-27

SEARCHED	INDEXED
SERIALIZED	FILED
FBI — PHOENIX	

Provided data to assist racing group in anti-Steiger campaign, '68 foe says

By DON BOLLES

A former Democratic candidate for Congress conceded last week that he contributed information to an alleged campaign to defeat Rep. Sam Steiger, R-Ariz., at the polls.

Ralph Watkins Jr. of Buckeye, who ran unsuccessfully against Steiger in 1968, said he turned over personal information about the congressman to an investigator then working for the state's dog tracks.

Watkins said that last May or June he gave to George Harry Johnson of Phoenix information he already possessed about Steiger's finances. But Watkins said he refused a request from Johnson that he obtain additional information regarding Steiger's bank accounts.

Johnson has told authorities and Arizona Republic reporters he was hired by the dog track interests to "get a lot of garbage on Steiger and others who were critical of the tracks and who, in some instances, were advocating an investigation of them.

Dog track spokesmen have admitted Johnson was hired by them. But they strongly deny they know anything about his allegations that the telephones of

Steiger and others were tapped during his investigation.

There were these additional developments in support of Johnson's contention that race track operators planned to flex political muscles:

— Senate minority leader Bob Stump, D-Maricopa, said he and Watkins lunched with Johnson a few months ago and that Johnson was "feeling me out" about running against Steiger.

—Dissident Democrat Paul Rademacher, Scottsdale, said David Funk Jr. called him to Greyhound Park last spring to inquire if he had any personal information about Steiger and about Republic reporter Don Bolles. Bolles is one of those whose telephone was tapped, according to Johnson.

Rademacher said Funk at that time accused U.S. Sen. Paul Fannin, R-Ariz., of "turning his back on us . . . after we contributed to his campaign."

Fannin said he assumes the Funks contributed to his 1964 campaign, does not know if they have helped his current campaign for re-election, and cannot understand why the Funks would be angry with him.

—House majority whip Tim Barrow, R-Maricopa, said Art Funk called him

on the phone two weeks ago and said "he had 500 employees in the Valley who could help me in my campaign." Barrow said other lawmakers got the same offer. Legislative leaders have indicated they will revive a racing reform bill which died in the last legislature when the next one convenes in January.

Watkins said Johnson told him last spring he was representing the Emprise Corp. of Buffalo, N.Y., which purports to be an equal partner with the Funk family in Arizona's six dog tracks. Steiger has accused Emprise of business dealings with the Mafia, a charge the firm has strongly denied.

Earlier, an Emprise attorney also denied a Johnson claim that the firm planned a campaign to defeat Steiger's bid for re-election. The Republic last week attempted to question Brian Goodwin, an Emprise lawyer, about the most recent allegations; however, he declined to supply answers to any questions unless the questions were delivered to him in writing.

Watkins said Johnson met with him several times about Steiger, and asked him two or three times if he would run again. "I told him I wasn't interested," Watkins said.

B-1 ARIZONA REPUBLIC
PHOENIX, ARIZONA

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9-20-70
Sunday

UNSUBS;
IOC

139-102
Phoenix

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139-102-28

James G. [Signature]

pmf

xerox cy: 162-208
(EMPRISE)

* Some weeks later, Watkins said, he and Johnson met Stump in Jack's Restaurant at McDowell and Black Canyon. Johnson again said he was looking for a candidate to run against Steiger. Watkins said he knew that Stump, his former college roommate, was thinking of making the race.

Stump said his recollection was that Johnson "insinuated something was going to happen on Steiger, and if someone was in the race at the right time . . ."

Stump said he told Johnson he wasn't interested, and said he never met with any of the Funks about the matter.

Watkins said the material he turned

over to Johnson included information about a past dispute Steiger had with architects and a 1963 insufficient funds check. "It wasn't anything that others haven't got," he added.

He said Johnson also asked him to check Steiger's accounts in the Continental Bank, but "I wouldn't and couldn't do that. I wouldn't."

Rademacher and David Funk Jr. called him last spring after a story about Rademacher appeared in The Republic, and asked him for information on Bolles' and Steiger's private lives.

Then, he said, Funk attacked Fannin in the strongest of terms, and discussed his desire for a candidate to run against Fannin this fall.

Fannin said the Funks sent him and other Arizona congressman materials favorable to the Emprise Corp. but that he did nothing beyond discussing it with the rest of the delegation.

"This was something Sam (Steiger) was delving into," Fannin said, "I knew nothing about it. I haven't had any contact with them (the Funks) recently."

He said he knew the Funks years ago when he used to live near them and play on their softball team. The senator said he bought 1,000 shares of dog track stock about 1956 because the Funks had rented some land from him. He said he sold the stock recently at a loss of about \$790.

Anti-Steiger campaign— denied by Funk lawyer

By DON BOLLES

A lawyer representing the Funk interests in dog racing tracks has denied that his clients directed a planned campaign to find candidates to run against Rep. Sam Steiger, R-Ariz.

Earlier this year, Steiger was critical of the dog tracks and the Funks' partner, the Emprise Corp. of Buffalo, N.Y.

The Arizona Republic published a story Sunday quoting Ralph Watkins Jr., Steiger's Democratic opponent in 1968, as saying he turned over personal information on Steiger to George Harry Johnson, a dog track investigator, and that Johnson tried to get both Watkins and state Sen. Bob Stump, D-Maricopa, to run against Steiger.

Responses to the allegations on behalf of his clients, the Funks, were solicited by this newspaper from attorney John H. Killingsworth but were received too late to be included in the Sunday article.

The reporter's questions and Killingsworth's replies follow:

Q. Ralph Watkins Jr. says George Johnson asked him to get Steiger's bank accounts from Continental Bank and he refused to do so. Was this at the direction of the Funks or Emprise?

A. No.

Q. Bob Stump says that he and Watkins met with Johnson in May or June to solicit Stump's running against Steiger. Was this at the direction of the Funks or Emprise?

A. No.

Q. Did the Funks or Emprise try to get Dave Kret (Sen. David B. Kret, R-Maricopa) to oppose Steiger in the Republican primary either directly or through Johnson?

A. No.

Q. Paul Rademacher says he was called to Greyhound Park by Dave Funk Jr. about April or May and asked what personal information he knew about (Republican reporter Don) Bolles or Steiger. He also says Dave Jr. accused Sen. (Paul J.) Fannin (R-Ariz.) of double-crossing the Funks after they had contributed to his campaign. Any comment?

A. No such meeting ever took place between Dave Funk Jr. and a person by the name of Paul Rademacher. Dave Funk Jr. knows of no such person by that name.

Q. Rep. Tim Barrow (R-Maricopa) says Arthur Funk called him two weeks ago and said he had 500 employees in the Valley who could help him in his campaign and that other lawmakers got the same offer. Any comment?

A. Arthur Funk did have a conversation approximately two weeks ago with Rep. Tim Barrow regarding the upcoming election and discussed the support of the Funks and others.

Q. How many candidates of the legislature have been offered campaign funds in either the primary or general election — directly or indirectly by the Funks?

A. The Funks support qualified legislative candidates by campaign contributions and by voting, the same as any other responsible citizens interested in good government and exercising their democratic rights and duties.

Meanwhile, Sen. Kret told The Republic that Johnson took him to dinner at the Ramada Inn in Phoenix last April and asked him to run against Steiger in the GOP primary.

Kret said, "I guess I discouraged them pretty good and that was the end of it."

The former Senate majority leader said, "He (Johnson) was indicating he represented a lot of other people. I would presume it would be Emprise, but he carefully avoided that kind of thing. Essentially he implied there would be very substantial funding available for a campaign . . . big numbers."

Advised of Killingsworth's reply, Rademacher insisted he had talked to a Greyhound Park official and said it might have been another Funk, not Dave Jr.

19 ARIZONA REPUBLIC
PHOENIX, ARIZONA

9-22-70
Morning

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aka; UNSUBS

IOC

139-102
Phoenix

* 162-208 (EMPRISE)

SEARCHED	INDEXED
SERIALIZED	FILED
FBI—PHOENIX	

139-102-30

FEDERAL BUREAU OF INVESTIGATION

Date 9/17/70

[redacted] was interviewed in the press room
of the Senate Office Building. [redacted]

[redacted] concerning the alleged wiretapping of Congressman
SAM STEIGER. [redacted]

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A conversation was had concerning [redacted]

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[redacted] A question by [redacted] on the
tape inquired as to who told [redacted] to put the taps on
and [redacted] stated [redacted] answered "BRAD FUNK". [redacted]
answer included other names but [redacted] could not recall
what his answer was.

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[redacted] asked [redacted] if BRAD FUNK was in on the
STEIGER phone tap, which [redacted] answered yes.

On 9/11/70 at Phoenix, Arizona

File # Phoenix 139-102 -31

by SAs [redacted] and
[redacted] CSN/vps

Date dictated 9/16/70

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F B I

Date: 9/24/70

Transmit the following in _____
(Type in plaintext or code)Via TELETYPE NITEL
(Priority)

TO: SACS MINNEAPOLIS AND OMAHA
FROM: PHOENIX (139-102) (FIVE PAGES)

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[REDACTED] AKA; UNSUBS. IOC. OO PHOENIX.

FOR INFORMATION, SAM STEIGER, REPUBLICAN, STATE OF ARIZONA ON AUGUST SEVENTEEN LAST ADVISED FBI OFFICE PHOENIX HE LEARNED HIS OFFICE TELEPHONES AT FEDERAL BUILDING PHOENIX ARIZONA WERE TAPPED AND RECORDINGS MADE.

[REDACTED] PHOENIX, ARIZONA REVEALED TO CONGRESSMAN STEIGER THAT HE WAS [REDACTED]

[REDACTED] WHO IS UP FOR RE-ELECTION THIS YEAR. [REDACTED] HIRED ANOTHER INDIVIDUAL TO BUY ELECTRONIC EQUIPMENT WHO ALLEGEDLY INSTALLED TAPS ON TELEPHONE LINES OF AT LEAST SIX DIFFERENT PERSONS IN ARIZONA INCLUDING OFFICE TELEPHONES OF CONGRESSMAN STEIGER.

① - Phoenix

BCM/mcl

✓ 3, 4

Searched
Serialized
Indexed
Filed

Approved: [Signature]
Special Agent in Charge

Sent OM 724P MP 735/P M

Per [Signature] 139-102-32

F B I

Date:

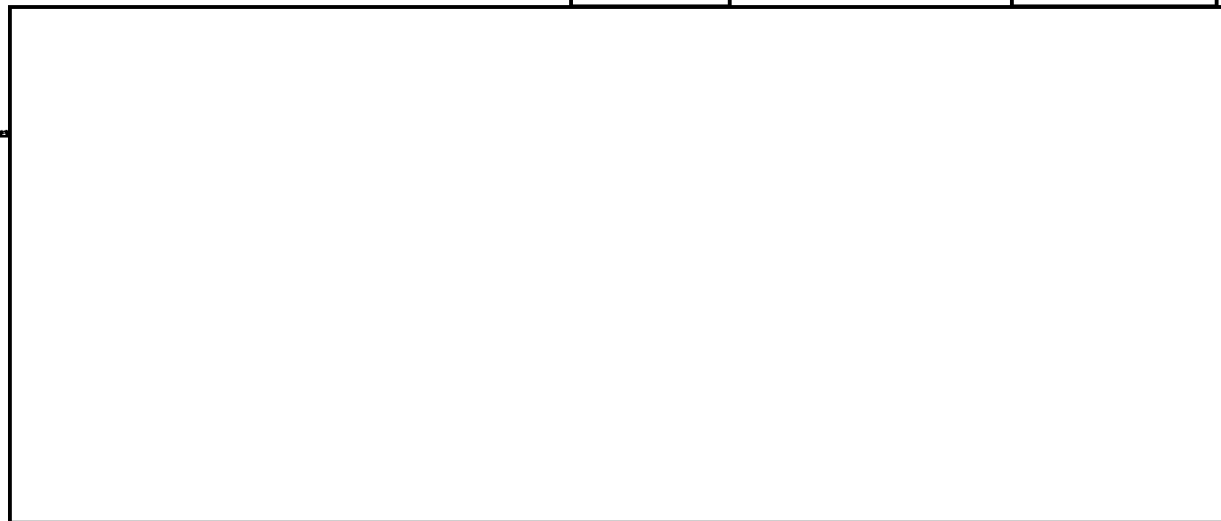
Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

PAGE TWO

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TAPES FROM ILLEGAL WIRE TAPS HAVE NOT BEEN RECOVERED TO DATE.

[] FINALLY CONSENTED TO INTERVIEW BY FBI PHOENIX.
ON SEPTEMBER TWO THREE LAST [] ADVISED HE WAS []



[] CONTACTED [] A PRIVATE INVESTIGATOR
IN PHOENIX, EARLY PART NINETEEN SEVENTY TO ASSIST IN
OBTAINING NECESSARY WIRE TAP EQUIPMENT. ACCORDING TO
[] ASCERTAINED COST OF VARIOUS WIRE TAP

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

PAGE THREE

EQUIPMENT AND ROOM MICROPHONE EQUIPMENT AND CALLED THIS
INFORMATION BACK TO ONE OF THE SECRETARIES AT PHOENIX
GREYHOUND PARK. [] WAS VISITING PHOENIX GREYHOUND
PARK ON DAILY BASIS AT BEGINNING OF INVESTIGATION ASSISTING

b6
b7C
b7D

[] WAS LATER CONTACTED BY ONE CARL BENNETT
MORTON WHO APPARENTLY HAD BEEN CONTACTED BY THE FUNKS TO
INSTALL WIRE TAP EQUIPMENT. ACCORDING TO []
MORTON INSTALLED WIRE TAP EQUIPMENT ON TELEPHONE LINES
PREVIOUSLY MENTIONED AND OBTAINED APPROXIMATELY NINETEEN
CASSETTE TAPES OF INTERCEPTED TELEPHONE CALLS. TAPES
WERE TURNED OVER TO [] BY MORTON WHO IN TURN TURNED
TAPES OVER TO FUNKS.

[] WAS CLOSE FRIEND OF []
WHO IS [] OF BRADLEY FUNK. IT WAS BELIEVED []
CALLED PRICE OF ELECTRONIC EQUIPMENT BACK TO []
OF PHOENIX GREYHOUND PARK.

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Approved: _____ Sent _____ M Per _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

PAGE FOUR

ACCORDING TO [REDACTED] LEFT PHOENIX TO WORK AS
AN INVESTIGATOR FOR A NEBRASKA LAND DEVELOPMENT COMPANY DURING
ABOUT MAY NINETEEN SEVENTY.

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CREDIT RECORDS AT PHOENIX REVEAL [REDACTED]
RESIDED [REDACTED]

AND WAS EMPLOYED BY [REDACTED] AS A [REDACTED]

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b7C

[REDACTED] ON MAY SEVEN LAST AN INQUIRY WAS RECEIVED
FROM CREDIT BUREAU LINCOLN, NEBRASKA WHO ASKED FOR CREDIT
REPORT ON [REDACTED]

DRIVERS LICENSE RECORDS FOR ARIZONA REVEAL [REDACTED]

[REDACTED] OCCUPATION [REDACTED] IS DESCRIBED

b6
b7C

AS [REDACTED] BORN [REDACTED]

ARIZONA, [REDACTED]

[REDACTED] ADDRESS SAME AS ONE GIVEN IN CREDIT
BUREAU FILES.

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

PAGE FIVE.

[] BELIEVED [] PRESENTLY EMPLOYED SELLING
REAL ESTATE ON LAKE BETWEEN NEBRASKA AND SOUTH DAKOTA AND
POSSIBLY RESIDING YANKTON, SOUTH DAKOTA.

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THE DEPARTMENT HAS REQUESTED FULL INVESTIGATION OF
THE MATTER.

MINNEAPOLIS AT YANKTON, SOUTH DAKOTA LOCATE
[] AND INTERVIEW CONCERNING HIS INVOLVEMENT
OF OBTAINING WIRE TAP EQUIPMENT AND TO VERIFY INFORMATION
FURNISHED BY []

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b7C

OMAHA AT LINCOLN NEBRASKA DETERMINE THROUGH CREDIT
BUREAU RECORDS PRESENT ADDRESS FOR [] AND
INTERVIEW LIKEWISE AS SET FORTH FOR MINNEAPOLIS.

SUTEL.

PENDING.

Approved: _____

Special Agent in Charge

Sent _____ M Per _____

Contempt action sought in dog track lawsuit

Contempt proceedings were requested yesterday against a Phoenix man who has charged that a congressman's telephone was tapped as part of a plan to block an investigation of dog racing in Arizona.

George Harry Johnson, who has asserted he made arrangements for the telephone tapping while employed as an investigator for the Funk dog racing interests, failed to appear yesterday to answer questions concerning a lawsuit.

Yuma Greyhound Park is plaintiff in the suit which accuses dog breeders and others of conspiring to destroy the park's business.

The request for a court order requiring Johnson, of 5115 N. 40th St., to show why he should not be held in contempt was prepared by Walter Cheifetz, attorney for Yuma Greyhound.

Rep. Sam Steiger, R-Ariz., a frequent critic of Arizona dog tracks, was called on recently to testify in the suit. It was his telephone which Johnson has alleged were tapped. Yesterday, Cheifetz waited in vain at his Phoenix office for Johnson to answer a subpoena to give additional pretrial testimony in the suit. Neither Johnson nor Steiger is a party in the lawsuit.

Cheifetz then prepared his request for contempt proceedings against Johnson. Cheifetz also placed on record a statement of his own that Johnson was to have been questioned about "allegations by him that Sam Steiger was tied in a conspiracy promoted by Las Vegas gambling interests to drive the local tracks out of business in Arizona and whose statements implicate others in Maricopa County as having participated in a conspiracy to aid Las Vegas gambling interests in infiltrating the Arizona pari-mutuel wagering and dog tracks."

25 ARIZONA REPUBLIC
PHOENIX, ARIZONA

10-1-70
Morning

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IOC

139-102-38
Phoenix

X

SEARCHED	INDEXED
SERIALIZED	FILED
FBI—PHOENIX	

T 10/7
not 10/7/1
R

FEDERAL BUREAU OF INVESTIGATION

Date October 1, 1970

Special Agents [redacted] and [redacted] took a handwriting sample from [redacted] and requested that she examine the attached copies of the list of telephone numbers. She identified the copies #1 through #9 as being in her handwriting and stated that copies #10 and #11 were not in her handwriting.

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At the conclusion of the interview with [redacted] SAs [redacted] and [redacted] proceeded to the office area used by [redacted]. It was observed that there are three glass partitions between the desk of [redacted] and Mr. BRADLEY FUNK. One of the glass partitions is in a door on the wall between the two desks and the other two glass partitions are on the north side of the door.

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SA [redacted] sat in [redacted] chair and observed he could see the area immediately surrounding Mr. BRADLEY FUNK's desk and the desk used by [redacted]

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On 9/30/70 at Phoenix, Arizona File # PX 139-102 -39
by SAs [redacted] *landyc* sg [redacted] Date dictated 10/1/70

b6
b7C

10/5/70

AIRTEL

TO: DIRECTOR, FBI (139-3693)
FROM: SAC, PHOENIX (139-102) (P)
SUBJECT: [REDACTED] aka;
UNSUBS
IOC
OO: Phoenix

b6
b7C

ReBuairtel 10/1/70; report SA [REDACTED]
8/27/70 at Phoenix, and Phoenix airtel 9/17/70.

To bring the Bureau up to date in connection with
captioned matter the following is set forth:

[REDACTED] finally consented to being
interviewed by Bureau Agents without first being granted
immunity as he had previously requested from the U. S.
Attorney, Phoenix. This interview was conducted for four
days (September 18, 21, 22 and 23, 1970) and was recorded
on tape at request of [REDACTED]

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[REDACTED] alleges [REDACTED]
BRADLEY FUNK [REDACTED] the FUNK's attorney
presently residing and practicing law Washington, D.C.,
[REDACTED]

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The FUNKs [REDACTED] requested [REDACTED]
[REDACTED]

2 - Bureau
2 - Phoenix
BCM/mcl
(4)

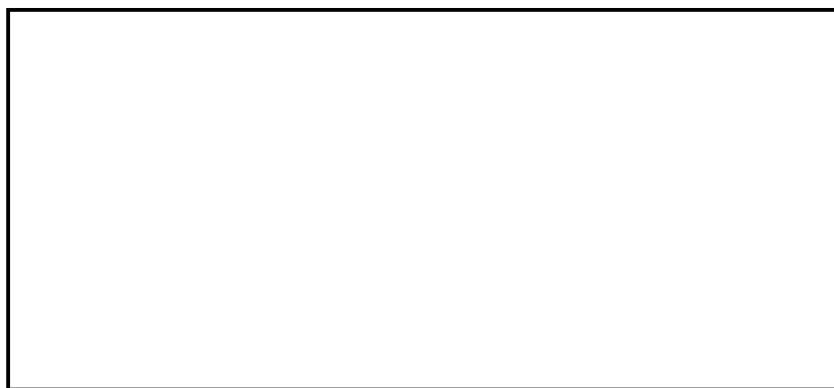
*Post
Bw*

139-102-41

PX 139-102
BCM/mcl

On 10/2/70 Departmental Attorney [] met with Bureau Agents and Dr. BURKE and was apprised of investigation to date. [] requested that the matter be brought up before the next Federal Grand Jury in Phoenix which will be on 10/14/70. [] has requested the following individuals to be subpoenaed for this Federal Grand Jury hearing:

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b3
b6
b7C

On 9/29/70 Bureau Agents requested records of [] but this request was denied since records have been removed from track by Attorney [] [] has subsequently been contacted for [] but has refused to turn over [] to Bureau Agents. Track records will be subpoenaed for Grand Jury hearing 10/14/70.

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b7C

Report is being prepared by Phoenix office and will be promptly submitted to Bureau.

FEDERAL BUREAU OF INVESTIGATION

10/5/70

Date _____

WILLIAM GEORGANTOS, after being advised of the identity of the agents, the purpose of the inquiry, and that he was not a suspect in the matter, gave the following information:

He was born in Phoenix, Arizona on November 13, 1921. He is married to [redacted] They have a son, [redacted] and reside at [redacted] in [redacted]

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He has been employed by the Phoenix Greyhound Association for a total of 15 years, two years just after World War II and for the last 13 years. He is presently the General Manager of the track operation. He also supervises the switchboard operator and the receptionist.

He knows the FUNKS. [redacted] is the President of the association of companies that own the tracks in Arizona. BRAD is employed at the Phoenix track, but GEORGANTOS does not know what BRAD's position happens to be.

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He has no knowledge of any lists being made by the secretaries of any phone calls. He knew of no special assignments the girls were ever sent on or asked to do.

He said he has known [redacted] [redacted] He has never been friendly with the man. He has known [redacted] for many years.

He first knew [redacted]

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b7C

[redacted] was working in the money room. He worked there a couple of weeks.

GEORGANTOS next saw [redacted] at a desk in the main office. He heard that [redacted] was supposed to be investigating the STEIGER accusations about gambling, but he did not know what investigating he conducted.

9/29/70

Phoenix, Arizona

PX 139-102-42

On _____ at _____ File # _____
by SAs [redacted] [redacted] /bay Date dictated 9/30/70

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b7C

PX 139-102
GKW/bay

GEORGANTOS stated he never saw any electronic equipment or tapes on [] desk or in [] possession. Further, he figured [] was hired as [] and BRAD FUNK seemed to be good friends. He does not know how they became acquainted.

He said he knows that [] has a room [] from the track. But, he stated that he knows of no other rooms.

He said he has never heard of [] but he does know that [] is BRAD's girlfriend.

He knows of the wiretaps because of the newspaper articles and discussions with other employees, but they only knew what was in the newspapers.

He knows [] worked at the track about [] Also that since [] left he has heard about [] past and that he is a liar.

Further, he thinks the FUNKS are great people and had no part in the matter.

Racing given clean bill of health, Funk says in reply to Castro vow

Arthur Funk, one of Arizona's dog track operators, asserted yesterday that pari-mutuel racing in Arizona "has been given a clean bill of health."

Funk was replying to last Thursday's press conference statement by Raul Castro, Democratic candidate for governor, pledging a full and complete probe of dog and horse racing in the state if he is elected.

Funk, board chairman of Funks' Greyhound Racing Circuit, said the Arizona Racing Commission, on June 2, granted all licenses to the Funk-operated tracks at Phoenix, Tucson, Black Canyon, Apache Junction, Prescott, Yuma and Amado.

He said the commission made favorable findings "on questions involving the integrity, honesty and fair dealings on the part of the management of Funks'

Greyhound Racing Circuit, Inc. and the owners of all tracks in the state."

Funk said he has asked Republican Gov. Williams to release the findings of investigations of the tracks "in order that confidence in Arizona racing can be restored."

Funk also branded as "untrue" recent charges by George Harry Johnson, a former Funk employe, that telephones of a congressman and others were wiretapped in order to thwart a probe of racing operators.

"We did not authorize any such activity, nor do we know of any wiretapping by anyone," Funk said.

The Federal Bureau of Investigation is now probing Johnson's charges, and U.S. Attorney Richard Burke has said he expects a federal grand jury to go into the allegations shortly.

17 ARIZONA REPUBLIC
PHOENIX, ARIZONA

10-6-70
Morning

IOC

139-102

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b7C

copy: FMRISE 162-208*

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 6 1970	
FBI PHOENIX	

139-102-444

FEDERAL BUREAU OF INVESTIGATION

Date October 6, 1970

[redacted] was recontacted at [redacted]
[redacted] Greyhound Park, 3801 East Washington, and
informed of the identity of the interviewing agents and the
purpose for the interview and she supplied the following
information:

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[redacted] is situated in the
Greyhound Park offices [redacted]
in BRADLEY FUNK's office [redacted]
She stated [redacted] and BRADLEY FUNK are long time
friends but they had frequent arguments, the content of
which she could not provide. She stated she has worked for
BRADLEY FUNK for four years and considers him a very close
friend. She stated she has known [redacted] for the
past few years.

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b7C

She stated [redacted] was hired by Greyhound Park
to determine if Congressmen SAM STEIGER and [redacted] were
"conspiring" to destroy the FUNKs business. She could not
name the specific officer who hired [redacted] but it appeared
to her he was answerable to BRADLEY FUNK. She stated there
were frequent conferences with BRADLEY FUNK, [redacted]
and [redacted] She stated there were frequent arguments
during these conferences but could not provide the content.

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b7C

[redacted] advised she recalled the telephone
numbers she copied were not from a list compiled in [redacted]
handwriting but from a printed or typed list like her
telephone bill. She could not provide the name of the
person whose toll records were on the list copied by her and
she could not say what [redacted] did with the copies
she gave him.

[redacted] stated [redacted]
[redacted]

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On 9/30/70 at Phoenix, Arizona

File # PX 139-102 - 45

by SA [redacted] and WC
[redacted] / sg

Date dictated 10/1/70

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PX 139-102
JJJ:sg



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[redacted] said although she considers herself to be BRADLEY FUNK's [redacted] she knows very little of his activities and of the activities of [redacted]. She stated BRADLEY FUNK and [redacted] were close friends and that [redacted] made frequent visits to BRADLEY FUNK's office before he was retained as a private investigator. She stated she is not sure whether [redacted] was retained by BRADLEY FUNK and is not sure whether [redacted] reports the results of his investigation to BRADLEY FUNK or anyone else in the office.

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[redacted] advised she believes BRADLEY FUNK would not knowingly involve himself in any activity which was illegal. She believed [redacted] had "taken BRADLEY FUNK in" and was being paid too much money for the services he rendered. [redacted] could not describe exactly what services [redacted] was rendering but still felt he was paid too much.

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[redacted] supplied an example of her handwriting and was then shown copies of a list of telephone numbers. She stated that parts of the list shown her were in her handwriting.

FEDERAL BUREAU OF INVESTIGATION

Date October 6, 1970

[redacted]
[redacted] Arizona, was contacted at [redacted]
[redacted] Greyhound Park, 3801 East Washington, Phoenix,
Arizona. She was advised of the identity of the interviewing
agents and the purpose of the interview, and provided the
following information:

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[redacted] stated she is the secretary to
BRADLEY FUNK, Advertising Manager, Greyhound Park. She
stated as secretary for Mr. FUNK she did some secretarial
work for [redacted] She stated [redacted] was hired by
one of the officers of Greyhound Park, she could not name
the particular officer, to conduct investigations regarding
Congressman SAM STEIGER and [redacted] She stated [redacted]
sat at a desk outside BRADLEY FUNK's office in the same room
as her desk. She stated JOHNSON had frequent contact with
BRADLEY FUNK.

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She advised she [redacted]
[redacted]

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She stated that on June 19, 1970, [redacted]
[redacted]

Congressman SAM STEIGER and [redacted] She stated she did
not believe [redacted] when he told her this.

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[redacted] said she saw a Panasonic tape recorder
and some cassettes on [redacted] desk during June, 1970, but
she has no idea what was on the tapes or what [redacted] did
with the tapes. She stated the only tape recordings of

On 9/29/70 at Phoenix, Arizona

File # PX 139-102-47

SAs [redacted] and [redacted]

by [redacted] JJJ:sg

Date dictated 10/1/70

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PX 139-102
JJJ:sg

phone calls she had knowledge of were conversations on the office telephones with the company's attorneys and the State Racing Commission. She stated the only taped telephone conversations she transcribed were of conversations on the company telephones.

[redacted] advised she has no knowledge whatsoever of any bank account data obtained by [redacted] or anyone else in the office.

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[redacted] requested that the interview be terminated so she could take her child to the doctor and she suggested the interview be begun again on September 30, 1970.

CASTRO CHARGES ANSWERED

Nothing Illegal Found Over Racing: Governor

By LEE BISHOP

"No evidence of any illegal act or malfeasance was discovered" concerning the affairs of the Arizona State Racing Commission that was recently under investigation," Governor Williams said today.

In answering the claim of his Democratic opponent, Raul Castro, that parimutuel racing in Arizona should be further probed, Williams said that an investigation by the state auditor general, the state attorney general and the legislature revealed "no evidence of any illegal actions."

"ARIZONA IS IN sound financial condition," Williams declared in answer to another of Castro's charges that the state is going through a mild recession.

The chief executive pointed out that this year's tax rate has been reduced from \$2.20 per \$100 assessed valuation to \$1.65, which "is a result of the responsible spending and taxing policies of the Republican administration over the past four years."

Concerning the racing question, Williams said that some generalized allegations of impropriety were leveled at members of the racing commission, but "no evidence of any illegal act was discovered."

In the wake of additional "unsupported charges," Williams said he urged state officials and legislators to "force complete cooperation in this matter so that we might discover the full facts of ownership, operating

practices, reporting procedures and every other aspect of parimutuel racing."

NO ILLEGAL ACTS were uncovered, Williams emphasized.

He said a current allegation that an individual or individuals engaged in tapping private telephone conversations is under investigation by the U.S. district attorney for Arizona, the FBI, and the state attorney general.

"I have complete confidence that if there has been wrong-doing, the U. S. district attorney and those working with him will take proper action. It is unfortunate that my political opponent, who is a lawyer and was a judge, apparently lacks confidence in the ability and integrity of those individuals and those agencies to whom responsibility for investigating these allegation properly falls."

On the economic condition of the state, Williams said Castro's "irresponsible and uninformed political charge that the state, as a result of our action, will have an unexpended surplus of \$32 million at the end of this fiscal year is false.

"**WE WILL HAVE \$12 million** in unexpended funds, but these have been appropriated to a capital outlay stabilization fund.

"We will have a \$20 million operating fund to pay state salaries and state bills at the beginning of the next fiscal year. This \$20 million is included in the projected revenue for next year and will thus be reflected in the next year's tax rate."

25 PHOENIX GAZETTE
PHOENIX, ARIZONA

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10-7-70
Evening



IOC

139-102
Phoenix

x cc: EMPRISE 162-208

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FBI - PHOENIX	

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139-102-49

FEDERAL BUREAU OF INVESTIGATION

Date 10/5/70

[redacted] Arizona, was contacted in the morning at Phoenix Greyhound Park, 3801 East Washington Street, Phoenix, Arizona, where he is employed as the [redacted]. After the interviewing agents identified themselves by displaying their credential cards and told him that it was desired to interview him and some other employees at this location, [redacted] made a telephone call to a person he identified as Attorney [redacted]. He then said that [redacted] was en route to Greyhound Park to ascertain the purpose of the interviews. It was pointed out by SA [redacted] that it was not desired to conduct any interviews in the presence of an attorney. At that time the interview was discontinued to enable [redacted] to confer with Attorney [redacted].

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In the afternoon, [redacted] was recontacted at his place of business and provided the following information:

[Large redacted area]

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On 9/29/70 at Phoenix, Arizona File # PX 139-102-63
by SA [redacted] and SEH / lfs Date dictated 9/29/70

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FEDERAL BUREAU OF INVESTIGATION

Date 10/8/70

[redacted] telephonically contacted the Phoenix FBI office during the early morning hours on October 7, 1970, and requested SA [redacted] to contact him by telephone.

At 7:21 AM SA [redacted] called [redacted] at his apartment and [redacted] advised that he had met [redacted] at Morgan's Inn, Phoenix, during the evening hours of October 6, 1970. [redacted] is a close friend of BRADLEY FUNK and resides in the same apartment complex as BRADLEY. [redacted] is connected with McGraw-Hill Books.

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[redacted] passed on information to [redacted] that [redacted] (attorney) wanted to meet [redacted] at 5:00 PM on October 7, 1970. [redacted] was undecided whether to meet [redacted] at this time. [redacted] was going to contact his attorney for his opinion.

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[redacted] acted mad at [redacted] at first when they met him. She finally told [redacted] that she was mad at him for double-crossing BRAD FUNK. She told [redacted] that BRADLEY had admitted everything to her concerning what [redacted] had said and BRADLEY could not understand why [redacted] has gone to the "other side" and told the story.

On 10/7/70 at Phoenix, Arizona File # PX 139-102-65
by SA [redacted] /mcl Date dictated 10/7/70

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FEDERAL BUREAU OF INVESTIGATION

Date 10/12/70

[redacted] attorney, [redacted]
[redacted] Arizona advised that in connection with the date
when he was visited by BRADLEY FUNK and [redacted] he
believed it would have been on either March 21, 1970 or
May 9, 1970, which would have been on a Saturday.

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[redacted] was informed that according to [redacted]
[redacted] told [redacted] that [redacted] had asked him
[redacted] what all did [redacted] have to turn over and if
[redacted] had any of the wire tap tapes.

In reply to this, [redacted] said he does not
recall [redacted] saying this, but he very well did ask him
[redacted] if the wire tap tapes were there."

On 10/9/70 at Phoenix, Arizona File # PX 139-102-66
by SA [redacted] /mcl b6
b7C Date dictated 10/9/70

1
PX 139-102
ECM/mcl

[redacted] Mountain Bell Telephone Company, Phoenix, Arizona on September 24, 1970 was requested to ascertain if a request had been made by Phoenix Greyhound Park to check their telephone lines for having a possible wire tap sometime during Spring, 1970.

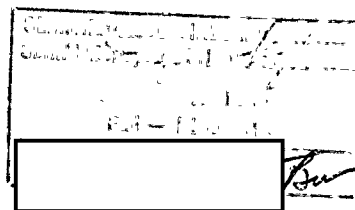
[redacted] on September 25, 1970, advised he could not find any official request for checking the telephone lines of Phoenix Greyhound Park for any recording equipment. This check covered back through the first part of 1970. [redacted] has requested further checks be made on all repair orders for Phoenix Greyhound Park for the possibility a repairman could have checked the lines for any recording devices.

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On September 24, 1970 [redacted] Mountain Bell Telephone, Phoenix received a letter from the attorneys for [redacted] and BRADLEY FUNK of Phoenix Greyhound Park requesting Mountain Bell Telephone to officially check their telephone lines as well as their own telephone lines for any possible recording device. At the same time they requested that they be advised whether any legal taps have been authorized in connection with the telephone lines of the FUNKS as well as Phoenix Greyhound Park.

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[redacted] advised the above letter is being turned over to their legal department who will reply to the FUNKS' attorneys.



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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1488416-000

Total Deleted Page(s) = 6

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PX 139-102
BCM/bay

[REDACTED]

Prior to the time that the newspaper reported the alleged wiretap matter concerning the FUNKs and Greyhound Parks of Arizona, [REDACTED] had mentioned to him that he [REDACTED] was involved with the FUNKs but that [REDACTED] had indicated that he did not want to involve [REDACTED] in the matter. [REDACTED] advised [REDACTED] that he did not want to become involved in the matter and consequently [REDACTED] did not discuss the matter with him.

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However, subsequent to the publishing in the local newspaper of the account [REDACTED] has informed him that he was doing investigative work for the FUNKs. [REDACTED] also informed [REDACTED] that, he [REDACTED] had done some wiretap work and that [REDACTED] will be surprised when he hears who is the wiretapper. [REDACTED] did not tell him the name of the wiretapper.

About two weeks ago, [REDACTED] was having a drink with BRADLEY FUNK at which time BRADLEY said that he was not aware of the wiretappings by [REDACTED] but that he, BRADLEY, was aware of the other operations as performed by [REDACTED]

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[REDACTED] was asked if he was aware of the name CARL MORTON or if he knew of any friend or associate of [REDACTED] who would be described as a [REDACTED] about [REDACTED] and weighing [REDACTED] replied in the negative. [REDACTED] was also exhibited a photograph of CARL MORTON which he was unable to identify.

PX 139-102
BCM/jjl

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In addition, Attorney [redacted] turned over to the United States Attorney a cardboard box of [redacted]

Dr. BURKE, on November 24, 1970, advised that Departmental Attorney [redacted] had advised him that he wanted to hold another session before the Federal Grand Jury at Phoenix on December 9, 1970, concerning this matter. [redacted] plans to subpoena [redacted] for this session.

PX 139-102
BCM/jjl

A review of the records as turned over by
Attorney [redacted]
[redacted] to Dr. BURKE, on November 10, 1970, revealed
the following pertinent items:

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FEDERAL BUREAU OF INVESTIGATION

Date 10/20/70

[redacted] telephonically contacted SA [redacted] at home on October 10, 1970, and advised that he was in recent contact with [redacted] and [redacted] now claims to [redacted] that he, [redacted] does not know anything about obtaining telephone records for [redacted]. In talking with [redacted] informed that attorneys [redacted] had contacted him and informed him that the FBI will probably contact him and will attempt to make him a co-defendant in the wire tap matter. [redacted] according to [redacted] was very concerned over being brought into the matter.

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[redacted] was supposed to meet attorney [redacted] and BRADLEY FUNK at Morgan's Inn on October 7, 1970. [redacted] said that instead of [redacted] and FUNK meeting him, attorneys [redacted] met him at Morgan's Inn. They attempted to talk with him concerning the wire tap matter, but [redacted] said he did not tell them anything that they did not know. [redacted] said that [redacted] informed him that he, [redacted] had seen some telephone company records but he had not seen any tapes from wire taps.

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On 10/10/70 at Phoenix, Arizona File # Phoenix 139-102

by SA [redacted] / wpj

Date dictated 10/13/70

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FEDERAL BUREAU OF INVESTIGATION

Date 11/25/70

[redacted] who resides at [redacted] Arizona, personally appeared at the Phoenix Office, where he was furnished with a form entitled, "Voluntary Appearance; Advice of Rights--Your Rights", which [redacted] read and signed.

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Concerning a person named [redacted] who resides in [redacted] Arizona, [redacted] stated he first met [redacted] through [redacted] in May or June, 1970. He had asked [redacted] to determine how much the electronic equipment which CARL MORTON had billed him for should really cost. He did not know if MORTON was high or low on his charges. He did not intend to buy any equipment but only wanted to determine the price.

He learned that [redacted] was trying to start a company to manufacture certain types of electronic equipment. [redacted] had a girlfriend who was frightened and [redacted] learned [redacted] had a burglar alarm system and [redacted] told [redacted] he could design one which would plug into the electricity or be battery operated. In addition to this item, [redacted] had designed a panic button which was a little siren. He met [redacted] several times, including a meeting at Green Gables Restaurant, and [redacted] went to his home and business in Tempe once or twice.

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[redacted] stated he never purchased any equipment from [redacted] of a "bugging" nature and never intended to purchase any from him. [redacted] and [redacted] both gave [redacted] a list of prices for electronic bugging equipment.

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[redacted] stated he knows [redacted] was at Greyhound Park and met the FUNKs. [redacted] was at the track twice when [redacted] wasn't there, once to pick up a little organ which had been made by [redacted] BRADLEY FUNK told [redacted] of this visit.

On 11/17/70 at Phoenix, Arizona File # PX 139-102

by SA [redacted] and [redacted] / BCM & GSM:jjl Date dictated 11/23/70

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PX 139-102
BCM, CSM/jjl
2

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[REDACTED] said this was the amount that he had previously paid CARL MORTON to purchase the necessary wiretap equipment. [REDACTED] said he had some money saved at the time and he paid MORTON from his own pocket.

At the time he paid [REDACTED] discussed the matter with [REDACTED] BRADLEY FUNK. [REDACTED]

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PX 139-102
BCM, CSM/jjl
3

FUNKs were trying to get [] to pay eighty percent of the total investigative bill in connection with the investigation of Congressman STEIGER. It was believed that the FUNKs and [] had previously agreed to split the investigative expenses on a fifty-fifty basis.

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[] recalled hearing only one conversation by []

[] did not recall ever hearing any conversation concerning the background of [] especially any previous arrests of []

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[] recalled that he had previously heard BRADLEY, [] FUNK, as well as [] talking about the background of [] which apparently had been obtained by the FUNKs through a source other than by wiretap. It was believed by [] that the background information concerning [] was possibly obtained by []

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[] an attorney for Emprise Corporation, had asked [] to obtain background information and data concerning various individuals, including [] connection with the dog owners' suit that is still [] ding against the track.

[] believed that he met and saw CARL MORTON about six or seven times. On one occasion, [] was driving a white Corvair vehicle, and on another occasion, he was driving a late model, light green in color, Buick or Oldsmobile vehicle. He again said that he had met MORTON on most occasions during the evening hours or at nighttime. Several of these meetings took place only briefly [] from MORTON at a pre-arranged spot. On one of these occasions, [] met MORTON behind the TowneHouse Hotel in Phoenix where

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PX 139-102
BCM, CSM/jjl
4

MORTON was riding with another unknown individual who was driving a late model pick-up truck that had a cab-over camper. Since it was dark, [redacted] was not able to get a good look at the individual who was driving this camper pick-up truck.

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The following photographs were shown to [redacted] in the order as indicated:

1 - Arizona Driver's License photograph [redacted]

2 - Arizona Driver's License photograph [redacted]

3

4

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6 - Arizona Driver's License photograph [redacted]

7

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[redacted] passed up photographs numbers 1 and 2 above, but on photograph number 3, he stopped and pulled the photograph out, studied it for a few seconds, then said that he thought this individual was familiar to him, but he could not recognize the photograph at this time. He asked if this particular individual was over six feet in height, but an answer was not given to [redacted] at this time, concerning this question. [redacted]

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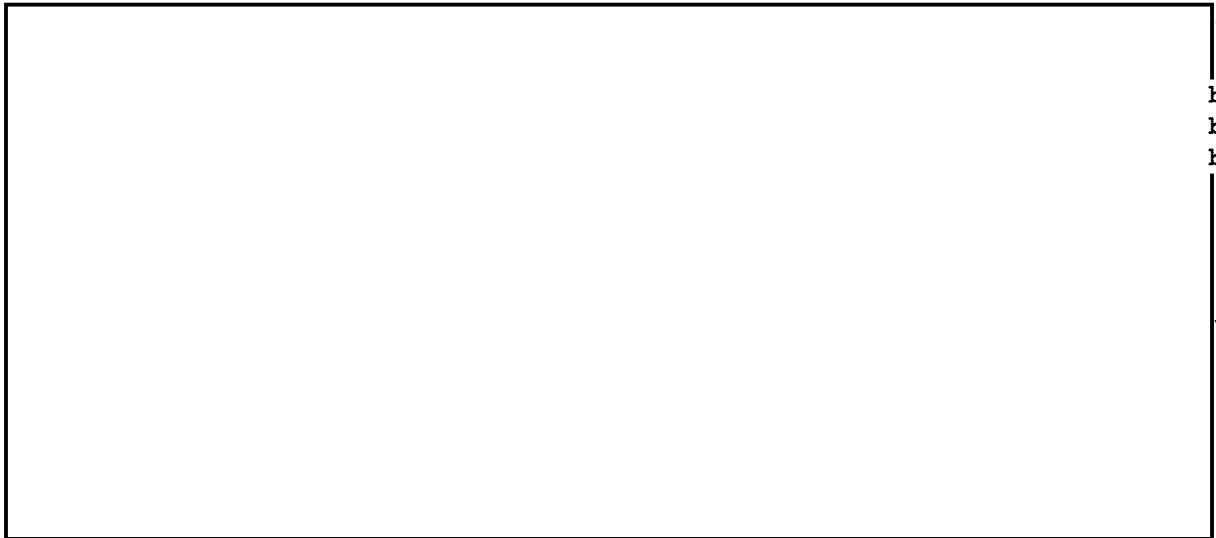
[redacted] then put this photograph aside. He then continued to look at the remaining photographs. He stopped and pulled out photograph number 6 who is [redacted] said that he recalled seeing this individual who was believed to be with some restaurant or tavern in the downtown Phoenix area. He was not able to recall the name of this individual. When [redacted] was told the name of [redacted] he then placed the name with the face. [redacted] looked at the last photograph and was unable to recognize this individual [redacted]

PX 139-102
BCM, CSM/jjl
7

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[REDACTED]
[REDACTED]
that he had left in his desk just outside of BRADLEY FUNK's
office at Phoenix Greyhound Park. Prior to going to
[REDACTED] office, [REDACTED]
[REDACTED]

PX 139-102
BCM, CSM/jjl
8



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On a white, dinner-type napkin, there is written,
[redacted] said this
was in his handwriting and was a note made to remind him-
self to inform BRADLEY FUNK the next time he saw BRADLEY,

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[redacted]
could not recall, at this time, what the conversation was
about that he was trying to remind himself to inform
BRADLEY.



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FEDERAL BUREAU OF INVESTIGATION

Date 11/2/70

[redacted] Greyhound Parks of Arizona, was interviewed at Greyhound Park, 3801 East Washington, Phoenix, Arizona, and advised as follows:

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Special Account number 120 is an account which was set up in October, 1969, when the newspaper articles started which were considered attacks on the FUNKS racing interests. This account was used to pay all costs of attorneys, accountants, court reporters, mailings, newspaper advertising, etc. In other words, everything that had to do with the situation which arose, including the Congressman STEIGER situation. The monies paid out of special account 120 would later be allocated to the various tracks affected.

[redacted] stated [redacted]

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[redacted] stated when the first vouchers were submitted by [redacted] they were approved by BRADLEY FUNK and bore his initials. After the first few, they were no longer initialed by FUNK. [redacted] had been told by [redacted] BRADLEY FUNK. [redacted] was to be paid on a fee basis for some [redacted]

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[redacted] Accompanying the vouchers for the [redacted] would be a statement of expenses unsupported by any documentation. [redacted] called [redacted] into his office when the first of these came to his attention and asked [redacted] for documentation of the expenses. [redacted] told [redacted] he would furnish it. Based upon this statement by [redacted] paid the voucher and all subsequent ones. [redacted] believes he discussed the documentation with FUNK who also told him [redacted] would furnish the documentation later.

On 10/22/70 at Phoenix, Arizona File # PX 139-102

by SA [redacted] BCM/pas Date dictated 10/27/70

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PX 139-102
BCM/pas

[redacted] admitted the various corporation accounts he disburses money from had never paid out funds without proper documentation except for [redacted] stated all money paid out of special account 120 including expenses are documented except [redacted] expenses.

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[redacted] said he does not keep a special folder for matters pertaining to special account 120, but instead are filed in alphabetical order in their general files.

FEDERAL BUREAU OF INVESTIGATION

Date 12/1/70

[redacted]
[redacted] Arizona, advised that he has
known [redacted] for about nine months. [redacted]
began employment with Greyhound Perks of Arizona as a
[redacted]

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[redacted]
[redacted]

b6
b7CAbout [redacted]
[redacted]

[redacted]

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[redacted] With this, [redacted] said that
he informed [redacted] that he had not done any investigative
work but that before he would help [redacted] that he would
have to ask [redacted] BRADLEY FUNK if they wanted him to
help [redacted]

On 11/20/70 at Phoenix, Arizona File # PX 139-102

by SA [redacted] jjl Date dictated 11/25/70

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PX 139-102
BCM/jjl
2



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[redacted] claimed that he has seldom gone into either [redacted] BRADLEY FUNK's office at the Phoenix track. He had previously heard that the FUNKs had recorded their own telephone conversations, but he was not aware of any other wiretaps that might have been made. He was of the opinion that wiretapping was a violation of a law, but he admitted that he had not given any thought to the fact that the FUNKs were either right or wrong in tapping their own telephone lines to make recordings of their own conversations.

[redacted] claims that he is a close personal friend of [redacted] and they have socialized together on many occasions. In connection with [redacted] believes that he has socialized briefly on about two occasions with [redacted]. On one occasion, [redacted] was with [redacted] at Morgan's Inn in Phoenix, when they were joined by [redacted] and BRADLEY FUNK, who were together. Another occasion was when [redacted] was with his girlfriend, along with [redacted] and [redacted] at the Ramada Inn in Scottsdale. [redacted] was alone at that time and joined them and then they all later went together to Sneaky Pete's for the rest of the evening.

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[redacted] is a [redacted] born [redacted] at [redacted] Wisconsin.

FEDERAL BUREAU OF INVESTIGATION

11/10/70

Date _____

11

[redacted] D'Velco
Manufacturing Company of Arizona, 401 South 36th Street,
Phoenix, Arizona, advised that he resides [redacted]
[redacted] from BRADLEY FUNK at [redacted]
[redacted] Arizona. [redacted] considers BRADLEY FUNK as
a friend and has a drink with him every once in a while.

[redacted]

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On 11/6/70 at Phoenix, Arizona File # PX 139-102

by SAs [redacted] :BCM /bay Date dictated 11/10/70

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**UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION**

Copy to: 2 - United States Attorney, Phoenix, Arizona (Enclosures - 2)

Report of: SA [REDACTED]

b6

Office: PHOENIX

Date:

December 4, 1970

b7C

Field Office File #: PX 139-102

Bureau File #: 139-3693

Title:

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Character: INTERCEPTION OF COMMUNICATIONS

Synopsis:

[REDACTED]

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GSA employees at Federal Building, Phoenix, interviewed, and none admitted letting anyone into Federal Building. [REDACTED] Arizona, experienced playback of his own conversation over telephone about May or June, 1970.

[REDACTED] Arizona, advised that [REDACTED]

[REDACTED] re-interviewed and maintains that CARL

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KORTON is person [REDACTED] Federal Grand Jury heard testimony on this case on 11/9 - 10/70.

- P -

ENCLOSURES TO USA, PHOENIX

Two copies of an interview with [REDACTED]

[REDACTED]

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DETAILS:

A Federal Grand Jury hearing was held at Phoenix, Arizona, on November 9 and 10, 1970. Matters pertaining to this case were presented by Departmental Attorney [REDACTED] and United States Attorney Dr. RICHARD G. BURKE. The witnesses who were called to this session of the Grand Jury are as follows:

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